CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 260

Citations Affected: IC 6-1.1; IC 6-1.5-4-2; IC 6-1.5-5; IC 8-1.5-5-32; IC 8-22-3.5-11; IC 16-22-14; IC 20-44-3-2; IC 20-46-6-5; IC 33-26-7-1; IC 36-7.

Synopsis: Taxation. ESB 260 CONFERENCE COMMITTEE REPORT. If an assessing official discovers an overreported personal property assessment, requires the official to correct the assessment. Permits a personal property taxpayer to make an exemption claim up to 30 days after the return due date. Provides that the investment deduction for personal property does not apply to certain personal property. Allows a county to impose a separate property tax levy that is subject to the county's levy limits to compensate a county hospital for providing emergency medical services. Provides that information regarding certain property tax benefits available to owners of single family residential property must be included in the instructions for completing the sales disclosure form used in transfers of real property interests. Exempts delinquent tax collections from deposit in the excess levy fund. Reduces the amount of assessed value growth that qualifies a civil taxing unit for an excessive levy appeal. Authorizes an excessive levy appeal for certain townships to pay the costs of providing emergency medical services by paramedics. Permits a county auditor to establish a special nonreverting fund to receive additional property taxes attributable to a contract for the discovery of property that has been undervalued or omitted from assessment. Changes responsibilities for distribution of certain notices of decision by the Indiana board of tax review (IBTR). Adjusts the procedure for a public utility company to appeal the distributable property assessment of the department of local government finance (DLGF) to the IBTR. Changes the annual deadline for filing for various property tax benefits for individuals from May 10 to June 10. States requirements for maintaining a class action suit against the DLGF. Permits property tax rates to be calculated using a reduced assessed value for property to reflect the effects of pending property tax appeals. Allows the county auditor to amend assessed valuation information provided to the DLGF and political subdivisions that is used to set property tax rates. Allows a taxpayer that initiated an appeal to the DLGF of a political subdivision's budget, rate, and levy to seek judicial review if the DLGF fails to act on the appeal in a timely manner. Revises the formula for determining a civil taxing unit's maximum permissible levy to permit banking of unused levy capacity with restriction on recapture. Requires the DLGF to recommend amendments to levy banking and recapture provisions. Allows a designee of the commissioner of the DLGF to attest copies of certain documents. Provides that the DLGF rules for assessment of real property are not required to include instructions for

determining depreciation or reproduction cost. Specifies when returns, other documents, and property tax payments are considered to be received for purposes of property tax statutes containing filing or payment deadlines. For depreciable personal property eligible for tax abatement and subject to the 30% minimum valuation limitation, specifies the amount of assessed value used to compute the deduction. Provides that in an appeal from a decision of a local assessing official or a property tax assessment board of appeals, the IBTR may subpoena witnesses and documents. (Current law gives the IBTR this power with respect to appeals from DLGF decisions.) Provides that if the IBTR fails to render a decision in an appeal from an action of the DLGF, the entity that initiated the appeal has the option of waiting for a IBTR decision or requesting judicial review. Specifies when a lot or tract held for sale in the ordinary course of trade or business may be reassessed for property tax purposes. Provides that money in a property tax reassessment fund may not be transferred to any other fund. Provides that certain equipment installed in an economic revitalization area or a maritime opportunity district after being used in Indiana by a person other than the tax abatement applicant is eligible for tax abatement. Requires an annual adjustment of the maximum rate of a school capital projects fund. Allows local government officers to hire a private attorney in proceedings before the Indiana tax court, subject to approval of the attorney general. Allows a redevelopment commission to establish a program for housing and to employ tax increment financing with respect to the program. Allows tax abatement for prior years for the operator of a grey iron foundry in Grant County that was denied for those years. Allows a property tax exemption for prior years for a fraternity at Butler University that was denied for those years. Allows an exemption for prior years for a soccer facility. Provides that a taxpayer is entitled to an enterprise zone investment deduction in a military installation designated as an enterprise zone only if the deduction is approved by the military base reuse authority board. Increases the maximum levy for certain fire protection districts that have experienced high assessed value growth. Authorizes a refund of sales tax paid in prior years for a youth baseball organization. Allows a property tax exemption for a prior year for the Madame Walker Theater Center. Establishes increased maximum levies for the Dubois County Contractual Library and the Jasper Public Library. Allows a water service utility to correct a prior year's utility property tax return. Makes a technical correction to SEA 71-2006 concerning property tax payments by a storm water district to a municipality. Allows a designating body to grant a property tax abatement deduction for not more than two years to the owner of a building that is located in an economic revitalization area and has been vacant for at least one year, if the owner or a tenant of the owner occupies the building and uses the building for commercial or industrial purposes. Provides that the base assessed value of property in a tax increment financing allocation area is adjusted each time an annual adjustment is made. Allows the DLGF to adopt temporary rules to implement the investment deduction. Permits a designating body to waive errors in tax abatement forms and noncompliance with filing dates. **(This conference committee report deletes provisions to: (1) establish a property tax deduction that phases in the increased assessed value from rehabilitation or enlargement of residential real property; (2) allow an individual to claim a homestead credit for a partially completed dwelling; and (3) allow a school corporation to petition the DLGF for approval to incur bond indebtedness to implement solutions to contractual retirement or severance liability. This report adds provisions to: (1) require an assessing official to correct an overreported assessment; (2) allow a designee of the commissioner of the DLGF to attest copies of certain documents; (3) provide that money in a property tax reassessment fund may not be transferred to any other fund; (4) provide that certain equipment installed in a tax abatement area after being used in Indiana by a person other than the tax abatement applicant is eligible for tax abatement; (5) require an annual adjustment of the maximum rate of a school capital projects fund; (6) allow local government officers to hire a private attorney in proceedings before the Indiana tax court; (7) allow a redevelopment commission to establish a program for housing; (8) allow a property tax exemption for prior years for a fraternity at Butler University; (9) allow an exemption for prior years for a soccer facility; (10) provide that a taxpayer is entitled to an enterprise zone investment deduction in a military installation designated as an enterprise zone only if the deduction is approved by**

the military base reuse authority board; (11) authorize a refund of sales tax paid in prior years for a youth baseball organization; (12) establish increased maximum levies for the Dubois County Contractual Library and the Jasper Public Library; (13) make a technical correction concerning property tax payments by a storm water district to a municipality; (14) allow a designating body to grant a property tax abatement deduction for not more than two years to the owner of a building that is located in an economic revitalization area and has been vacant for at least one year, if the owner or a tenant of the owner occupies the building and uses the building for commercial or industrial purposes; (15) authorize an excessive levy appeal for certain townships to pay the costs of providing emergency medical services by paramedics; (16) require the DLGF to recommend amendments to levy banking and recapture provisions; and (17) allow the DLGF to adopt temporary rules to implement the investment deduction. This conference committee report amends provisions concerning: (1) levy banking and the determination of maximum levies for civil taxing units; and (2) excess levy appeals for civil taxing units based on assessed value growth.)

Effective: Upon passage; January 1, 2005 (retroactive); January 1, 2006 (retroactive); July 1, 2006.

Adopted	Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 260 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:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 12. **(a) As used in this section, "land developer" means a person that holds land for sale in the ordinary course of the person's trade or business.**

(b) As used in this section, "land in inventory" means:

(1) a lot; or

(2) a tract that has not been subdivided into lots;

to which a land developer holds title in the ordinary course of the land developer's trade or business.

(c) As used in this section, "title" refers to legal or equitable title, including the interest of a contract purchaser.

(d) Except as provided in subsections (h) and (i), if:

(1) land assessed on an acreage basis is subdivided into lots; ~~the land shall be reassessed on the basis of lots. If~~ **or**

(2) land is rezoned for, or put to, a different use;

the land shall be reassessed on the basis of its new classification.

(e) If improvements are added to real property, the improvements shall be assessed.

(f) An assessment or reassessment made under this section is effective

on the next assessment date. ~~However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot.~~

(g) No petition to the department of local government finance is necessary with respect to an assessment or reassessment made under this section.

(h) Subject to subsection (i), land in inventory may not be reassessed until the next assessment date following the earliest of:

(1) the date on which title to the land is transferred by:

(A) the land developer; or

(B) a successor land developer that acquires title to the land;

to a person that is not a land developer;

(2) the date on which construction of a structure begins on the land; or

(3) the date on which a building permit is issued for construction of a building or structure on the land.

(i) Subsection (h) applies regardless of whether the land in inventory is rezoned while a land developer holds title to the land.

SECTION 2. IC 6-1.1-4-28.5, AS AMENDED BY P.L.88-2005, SECTION 7, AND AS AMENDED BY P.L.228-2005, SECTION 10, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property, including the computerization of assessment records;

(2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books; ~~and~~

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund, and may not be used for any purposes other than those set forth in this section.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 3. IC 6-1.1-5.5-5, AS AMENDED BY P.L.228-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **(a)** The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

(1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
(2) Whether the entire parcel is being conveyed.
(3) The address of the property.
(4) The date of the execution of the form.
(5) The date the property was transferred.
(6) Whether the transfer includes an interest in land or improvements, or both.
(7) Whether the transfer includes personal property.
(8) An estimate of any personal property included in the transfer.
(9) The name, address, and telephone number of:
(A) each transferor and transferee; and
(B) the person that prepared the form.
(10) The mailing address to which the property tax bills or other official correspondence should be sent.
(11) The ownership interest transferred.
(12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
(13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.
(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.
(15) Any family or business relationship existing between the transferor and the transferee.
(16) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).

SECTION 4. IC 6-1.1-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county auditor may not accept a conveyance document if:

(1) the sales disclosure form signed by all the parties and attested

as required under section 9 of this chapter is not included with the document; or

(2) the sales disclosure form does not contain the information described in ~~section 5~~ **section 5(a)** of this chapter.

(b) The county recorder shall not record a conveyance document without evidence that the parties have filed a completed sales disclosure form with the county auditor.

SECTION 5. IC 6-1.1-8-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) Each year the department of local government finance shall notify each public utility company of:

(1) the department's tentative assessment of the company's distributable property; and

(2) the value of the company's distributable property used by the department to determine the tentative assessment.

(b) The department of local government finance shall give the notice ~~on or before~~ **required by subsection (a) not later than:**

(1) September 1 in the case of railroad car companies; and ~~shall give the notice on or before~~

(2) June 1 in the case of all other public utility companies.

~~(b) Within~~ **(c) Not later than** ten (10) days after a public utility company receives **the** notice ~~of the department of local government finance's tentative assessment,~~ **required by subsection (a),** the company may:

(1) file with the department its objections to the tentative assessment; and

(2) ~~demand~~ **request** that the department hold a ~~hearing~~ **preliminary conference** on the tentative assessment.

(d) If the **public utility** company does not file ~~with the department of local government finance~~ its objections ~~to the tentative assessment~~ **under subsection (c)(1)** within the time allowed:

(1) the tentative assessment is **considered** final; and

(2) the company may ~~not be appealed.~~ **appeal the assessment under section 30 of this chapter.**

SECTION 6. IC 6-1.1-8-29 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. **(a)** If a public utility company files its objections to ~~and demands a hearing on,~~ a tentative assessment within the time allowed **under section 28(c) of this chapter,** the department of local government finance ~~shall~~ **may** hold a ~~hearing~~ **preliminary conference** on the tentative assessment at a time and place fixed by the department. After the ~~hearing,~~ **preliminary conference,** if any, the department of local government finance shall:

(1) make a final assessment of the company's distributable property; and ~~shall~~

(2) notify the company of the final assessment. ~~However,~~

(b) The department of local government finance must give notice of the final assessment ~~before.~~ **under this section not later than:**

(1) September 30 in the case of railroad car companies; and ~~before~~

(2) June 30 in the case of all other public utility companies.

SECTION 7. IC 6-1.1-8-30 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. ~~If~~ **(a)** A public utility company ~~files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company~~ may initiate an appeal of the ~~department's~~ final assessment of ~~that~~ **the company's distributable** property by filing a petition with the Indiana board not ~~more~~ **later** than forty-five (45) days after:

(1) the public utility company receives notice of the tentative assessment under section 28(a) of this chapter if the final assessment becomes final under section 28(d) of this chapter; or

(2) the department **of local government finance** gives the public utility **company** notice of the final determination ~~The~~ **under section 29(a) of this chapter.**

(b) A public utility **company** may petition for judicial review of the Indiana board's final determination to the tax court under IC 4-21.5-5. However, the company must:

(1) file a verified petition for judicial review; and

(2) mail to the county auditor of each county in which the public utility company's distributable property is located:

(A) a notice that the complaint was filed; and

(B) instructions for obtaining a copy of the complaint;

~~within~~ **not later than** forty-five (45) days after the date of the notice of the Indiana board's final determination.

SECTION 8. IC 6-1.1-8.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. **(a)** For purposes of the general reassessment under IC 6-1.1-4-4 or a new assessment, the department of local government finance shall assess each industrial facility in a qualifying county.

(b) The following may not assess an industrial facility in a qualifying county:

(1) A county assessor.

(2) An assessing official.

(3) A county property tax assessment board of appeals.

SECTION 9. IC 6-1.1-9-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 10. (a) If in the course of a review of a taxpayer's personal property assessment under this chapter an assessing official or the assessing official's representative or contractor discovers an error indicating that the taxpayer has overreported a personal property assessment, the assessing official shall:**

(1) adjust the personal property assessment to correct the error; and

(2) process a refund or credit for any resulting overpayment.

(b) Application of subsection (a) is subject to the restrictions of IC 6-1.1-11-1.

SECTION 10. IC 6-1.1-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3. (a) Subject to subsections (e), ~~and~~ (f), **and (g),** an owner of

tangible property who wishes to obtain an exemption from property taxation shall file a certified application in duplicate with the county assessor of the county in which the property that is the subject of the exemption is located. The application must be filed annually ~~on or~~ before May 15 on forms prescribed by the department of local government finance. Except as provided in sections 1, 3.5, and 4 of this chapter, the application applies only for the taxes imposed for the year for which the application is filed.

(b) The authority for signing an exemption application may not be delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;

for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the township assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:

(1) properly assess the real property; and

(2) notify the county assessor and county auditor of the proper assessment.

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the

date of the notice to comply with that requirement. The county property tax assessment board of appeals shall deny an application described in this subsection if the applicant does not comply with that requirement within the time permitted under this subsection.

(g) This subsection applies whenever a law requires an exemption to be claimed on or in an application accompanying a personal property tax return. The claim or application may be filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date has been granted under IC 6-1.1-3-7.

SECTION 11. IC 6-1.1-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided by section 1 of this chapter must file a statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May~~ **June** 11 of each year for which the person wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property. Upon receipt of the statement and the recorded contract or recorded memorandum of the contract, the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the contract.

(b) The statement referred to in subsection (a) must be verified under penalties for perjury, and the statement must contain the following information:

(1) The balance of the person's mortgage or contract indebtedness on the assessment date of the year for which the deduction is claimed.

(2) The assessed value of the real property, mobile home, or manufactured home.

(3) The full name and complete residence address of the person and of the mortgagee or contract seller.

(4) The name and residence of any assignee or bona fide owner or holder of the mortgage or contract, if known, and if not known, the person shall state that fact.

(5) The record number and page where the mortgage, contract, or memorandum of the contract is recorded.

(6) A brief description of the real property, mobile home, or manufactured home which is encumbered by the mortgage or sold under the contract.

(7) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in it.

(8) The name of any other county in which the person has applied for a deduction under this section and the amount of deduction claimed in that application.

(c) The authority for signing a deduction application filed under this section may not be delegated by the real property, mobile home, or manufactured home owner or contract buyer to any person except upon an executed power of attorney. The power of attorney may be contained in the recorded mortgage, contract, or memorandum of the contract, or in a separate instrument.

SECTION 12. IC 6-1.1-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) An individual who satisfies the requirements of section 3 of this chapter may file a claim for a deduction, or deductions, provided by section 1 of this chapter during the twelve (12) months before ~~May~~ **June** 11 of the year following the year in which ~~he~~ **the individual** is discharged from military service. The individual shall file the claim, on the forms prescribed for claiming a deduction under section 2 of this chapter, with the auditor of the county in which the real property is located. The claim shall specify the particular year, or years, for which the deduction is claimed. The individual shall attach to the claim an affidavit which states the facts concerning the individual's absence as a member of the United States armed forces.

(b) The county property tax assessment board of appeals shall examine the individual's claim and shall determine the amount of deduction, or deductions, ~~he~~ **the individual** is entitled to and the year, or years, for which deductions are due. Based on the board's determination, the county auditor shall calculate the excess taxes paid by the individual and shall refund the excess to the individual from funds not otherwise appropriated. The county auditor shall issue, and the county treasurer shall pay, a warrant for the amount, if any, to which the individual is entitled.

SECTION 13. IC 6-1.1-12-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May~~ **June** 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or

by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) the source and exact amount of gross income received by the individual and ~~his~~ **the individual's** spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and ~~his~~ complete residence address;

(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and

(5) any additional information which the department of local government finance may require.

(c) In order to substantiate ~~his~~ **the** deduction statement, the applicant shall submit for inspection by the county auditor a copy of ~~his~~ **the applicant's** and a copy of ~~his~~ **the applicant's** spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 14. IC 6-1.1-12-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the application must be filed during the twelve (12) months before ~~May~~ **June** 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of a county office of family and children, the division of family ~~and children,~~ **resources,** or the division of disability, aging, and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that ~~he~~ **the individual**

is to pay property taxes on the real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as provided in section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in which the individual resides. With respect to real property, the statement must be filed during the twelve (12) months before ~~May~~ **June** 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 16. IC 6-1.1-12-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be filed during the twelve (12) months before ~~May~~ **June** 11 of each year for which the surviving spouse wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked

on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 17. IC 6-1.1-12-17.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must file the statement during the twelve (12) months before ~~May~~ **June** 11 of each year for which the veteran wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) a description and the assessed value of the real property, mobile home, or manufactured home;

(2) the veteran's full name and complete residence address;

(3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home; and

(4) any additional information which the department of local government finance may require.

SECTION 18. IC 6-1.1-12-17.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who

becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which ~~he~~ **the individual** claims the deduction is located of ~~his~~ **the individual's** ineligibility before ~~May 10~~ **June 11** of the year in which ~~he~~ **the individual** becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter to each individual who received the deduction in the preceding year unless the auditor determines that the individual is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of the property in a divorce decree.

SECTION 19. IC 6-1.1-12-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **June 11** of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before ~~April 10~~ **May 11** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(2) statements of the ownership of the property;

(3) the assessed value of the improvements on the property before rehabilitation;

(4) the number of dwelling units on the property;

(5) the number of dwelling units rehabilitated;

(6) the increase in assessed value resulting from the rehabilitation; and

(7) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the

immediately following four (4) years without any additional application being filed.

(e) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 20. IC 6-1.1-12-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b), the application must be filed before ~~May 10~~ **June 11** of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation for any year is not given to the property owner before ~~April 10~~ **May 11** of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The application required by this section shall contain the following information:

(1) the name of the property owner;

(2) a description of the property for which a deduction is claimed in sufficient detail to afford identification;

(3) the assessed value of the improvements on the property before rehabilitation;

(4) the increase in the assessed value of improvements resulting from the rehabilitation; and

(5) the amount of deduction claimed.

(d) A deduction application filed under this section is applicable for the year in which the addition to assessed value is made and in the immediate following four (4) years without any additional application being filed.

(e) On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 21. IC 6-1.1-12-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 29 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement between March 1 and ~~May 10~~ **June 11,** inclusive, of each year for which the person desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. On

verification of the statement by the assessor of the township in which the real property or mobile home is subject to assessment, the county auditor shall allow the deduction.

SECTION 22. IC 6-1.1-12-35.5, AS AMENDED BY P.L.214-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, 34, or 34.5 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) or (f) with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and ~~May 10~~ **June 11,** inclusive, of the assessment year. The person must file the statement in each year for which the person desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which the person desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner, shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. If the department of environmental management receives an application for certification before ~~April 10~~ **May 11** of the assessment year, the department shall determine whether the system or device qualifies for a deduction before ~~May 10~~ **June 11** of the assessment year. If the department fails to make a determination under this subsection before ~~May 10~~ **June 11** of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, 34, or 34.5 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in

subsection (a) between March 1 and ~~May 15~~ **June 11,** inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 4-4-30-5, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before ~~April 10~~ **May 11** of an assessment year:

(1) the center shall determine whether the building qualifies for a deduction before ~~May 10~~ **June 11** of the assessment year; and

(2) if the center fails to make a determination before ~~May 10~~ **June 11** of the assessment year, the building is considered certified.

SECTION 23. IC 6-1.1-12-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 38. (a) A person is entitled to a deduction from the assessed value of the person's property in an amount equal to the difference between:

(1) the assessed value of the person's property, including the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11; minus

(2) the assessed value of the person's property, excluding the assessed value of the improvements made to comply with the fertilizer storage rules adopted by the state chemist under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11.

(b) To obtain the deduction under this section, a person must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is subject to assessment. In addition to the certified statement, the person must file a certification by the state chemist listing the improvements that were made to comply with the fertilizer storage rules adopted under IC 15-3-3-12 and the pesticide storage rules adopted by the state chemist under IC 15-3-3.5-11. The statement and certification must be filed before ~~May 10~~ **June 11** of the year preceding the year the deduction will first be applied. Upon the verification of the statement and certification by the assessor of the township in which the property is subject to assessment, the county auditor shall allow the deduction.

SECTION 24. IC 6-1.1-12.1-1, AS AMENDED BY P.L.216-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1. For purposes of this chapter:

(1) "Economic revitalization area" means an area which is within the corporate limits of a city, town, or county which has become

undesirable for, or impossible of, normal development and occupancy because of a lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The term "economic revitalization area" also includes:

(A) any area where a facility or a group of facilities that are technologically, economically, or energy obsolete are located and where the obsolescence may lead to a decline in employment and tax revenues; and

(B) a residentially distressed area, except as otherwise provided in this chapter.

(2) "City" means any city in this state, and "town" means any town incorporated under IC 36-5-1.

(3) "New manufacturing equipment" means ~~any~~ tangible personal property ~~which.~~ **that a deduction applicant:**

(A) ~~was installed~~ **installs** after February 28, 1983, and on or before the approval deadline determined under section 9 of this chapter, in an area that is declared an economic revitalization area after February 28, 1983, in which a deduction for tangible personal property is allowed;

(B) ~~is used~~ **uses** in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property, including but not limited to use to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; ~~and~~

(C) ~~was acquired by its owner~~ **acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant** for use as described in clause (B); and

(D) ~~was~~ never ~~before~~ used ~~by its owner~~ for any purpose in Indiana **before the installation described in clause (A).**

However, notwithstanding any other law, the term includes tangible personal property that is used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products and was installed after March 1, 1993, and before March 2, 1996, even if the property was installed before the area where the property is located was designated as an economic revitalization area or the statement of benefits for the property was approved by the designating body.

(4) "Property" means a building or structure, but does not include land.

(5) "Redevelopment" means the construction of new structures, in economic revitalization areas, either:

(A) on unimproved real estate; or

(B) on real estate upon which a prior existing structure is demolished to allow for a new construction.

(6) "Rehabilitation" means the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.

(7) "Designating body" means the following:

(A) For a county that does not contain a consolidated city, the fiscal body of the county, city, or town.

(B) For a county containing a consolidated city, the metropolitan development commission.

(8) "Deduction application" means: ~~either:~~

(A) the application filed in accordance with section 5 of this chapter by a property owner who desires to obtain the deduction provided by section 3 of this chapter; ~~or~~

(B) the application filed in accordance with section 5.4 of this chapter by a person who desires to obtain the deduction provided by section 4.5 of this chapter; **or**

(C) the application filed in accordance with section 5.3 of this chapter by a property owner that desires to obtain the deduction provided by section 4.8 of this chapter.

(9) "Designation application" means an application that is filed with a designating body to assist that body in making a determination about whether a particular area should be designated as an economic revitalization area.

(10) "Hazardous waste" has the meaning set forth in IC 13-11-2-99(a). The term includes waste determined to be a hazardous waste under IC 13-22-2-3(b).

(11) "Solid waste" has the meaning set forth in IC 13-11-2-205(a). However, the term does not include dead animals or any animal solid or semisolid wastes.

(12) "New research and development equipment" means tangible personal property that:

(A) ~~is installed~~ **a deduction applicant installs** after June 30, 2000, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) laboratory equipment;

(ii) research and development equipment;

(iii) computers and computer software;

(iv) telecommunications equipment; or

(v) testing equipment;

(C) ~~is used~~ **the deduction applicant uses** in research and development activities devoted directly and exclusively to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products; ~~and~~

(D) ~~is acquired by the property owner~~ **the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant** for purposes described in this subdivision; and ~~was~~

(E) the deduction applicant never ~~before~~ used ~~by the owner~~ for any purpose in Indiana **before the installation described in clause (A).**

The term does not include equipment installed in facilities used for or in connection with efficiency surveys, management studies,

consumer surveys, economic surveys, advertising or promotion, or research in connection with literacy, history, or similar projects.

(13) "New logistical distribution equipment" means tangible personal property that:

(A) ~~is installed~~ **a deduction applicant installs** after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of:

(i) racking equipment;

(ii) scanning or coding equipment;

(iii) separators;

(iv) conveyors;

(v) fork lifts or lifting equipment (including "walk behinds");

(vi) transitional moving equipment;

(vii) packaging equipment;

(viii) sorting and picking equipment; or

(ix) software for technology used in logistical distribution;

(C) ~~is used~~ **the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant and uses** for the storage or distribution of goods, services, or information; and

(D) ~~before being used as described in clause (C), was~~ **the deduction applicant** never used ~~by its owner~~ for any purpose in Indiana **before the installation described in clause (A).**

(14) "New information technology equipment" means tangible personal property that:

(A) ~~is installed~~ **a deduction applicant installs** after June 30, 2004, and on or before the approval deadline determined under section 9 of this chapter, in an economic revitalization area in which a deduction for tangible personal property is allowed;

(B) consists of equipment, including software, used in the fields of:

(i) information processing;

(ii) office automation;

(iii) telecommunication facilities and networks;

(iv) informatics;

(v) network administration;

(vi) software development; and

(vii) fiber optics; ~~and~~

(C) the deduction applicant acquires in an arms length transaction from an entity that is not an affiliate of the deduction applicant; and

~~(C) before being installed as described in clause (A), was~~ **(D) the deduction applicant** never used ~~by its owner~~ for any purpose in Indiana **before the installation described in clause (A).**

(15) "Deduction applicant" means an owner of tangible personal property who makes a deduction application.

(16) "Affiliate" means an entity that effectively controls or is controlled by a deduction applicant or is associated with a deduction applicant under common ownership or control,

whether by shareholdings or other means.

(17) "Eligible vacant building" means a building that:

(A) is zoned for commercial or industrial purposes; and

(B) is unoccupied for at least one (1) year before the owner of the building or a tenant of the owner occupies the building, as evidenced by a valid certificate of occupancy, paid utility receipts, executed lease agreements, or any other evidence of occupation that the department of local government finance requires.

SECTION 25. IC 6-1.1-12.1-2, AS AMENDED BY P.L.216-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A designating body may find that a particular area within its jurisdiction is an economic revitalization area. However, the deduction provided by this chapter for economic revitalization areas not within a city or town shall not be available to retail businesses.

(b) In a county containing a consolidated city or within a city or town, a designating body may find that a particular area within its jurisdiction is a residentially distressed area. Designation of an area as a residentially distressed area has the same effect as designating an area as an economic revitalization area, except that the amount of the deduction shall be calculated as specified in section 4.1 of this chapter and the deduction is allowed for not more than five (5) years. In order to declare a particular area a residentially distressed area, the designating body must follow the same procedure that is required to designate an area as an economic revitalization area and must make all the following additional findings or all the additional findings described in subsection (c):

(1) The area is comprised of parcels that are either unimproved or contain only one (1) or two (2) family dwellings or multifamily dwellings designed for up to four (4) families, including accessory buildings for those dwellings.

(2) Any dwellings in the area are not permanently occupied and are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) Parcels of property in the area:

(A) have been sold and not redeemed under IC 6-1.1-24 and IC 6-1.1-25; or

(B) are owned by a unit of local government.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection or one (1) of the additional findings described in subsection (c).

(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area

are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred thousand (200,000) but less than three hundred thousand (300,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by ~~sections~~ **section** 3, ~~and~~ 4.5, **or 4.8** of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of the area in which the designating body has jurisdiction. The following ~~three (3)~~ **four (4)** sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost

of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to ~~either~~ the deduction allowed under section 3 of this chapter, ~~or~~ the deduction allowed under section 4.5 of this chapter, **the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;**

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment if a deduction under this chapter had not been filed before July 1, 1987, for that equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas on or after September 1, 1988;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

~~(5)~~ **(6)** impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if:

(A) the economic revitalization area designation expires after December 30, 1995; and

(B) the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 4, ~~or~~ 4.5, **or 4.8** of this chapter.

(k) Notwithstanding any other provision of this chapter, deductions:

(1) that are authorized under section 3 of this chapter for property in an area designated as an urban development area before March 1, 1983, and that are based on an increase in assessed valuation resulting from redevelopment or rehabilitation that occurs before March 1, 1983; or

(2) that are authorized under section 4.5 of this chapter for new manufacturing equipment installed in an area designated as an urban development area before March 1, 1983;

apply according to the provisions of this chapter as they existed at the time that an application for the deduction was first made. No deduction that is based on the location of property or new manufacturing equipment in an urban development area is authorized under this chapter after February 28, 1983, unless the initial increase in assessed value resulting from the redevelopment or rehabilitation of the property or the installation of the new manufacturing equipment occurred before March 1, 1983.

(l) If property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39 or IC 36-7-15.1-26), an application for the property tax deduction provided by this chapter may not be approved unless the commission that designated the allocation area adopts a resolution approving the application.

SECTION 26. IC 6-1.1-12.1-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) If a designating body finds that an area in its jurisdiction is an economic revitalization area, it shall either:

(1) prepare maps and plats that identify the area; or

(2) prepare a simplified description of the boundaries of the area by describing its location in relation to public ways, streams, or otherwise.

(b) After the compilation of the materials described in subsection (a), the designating body shall pass a resolution declaring the area an economic revitalization area. The resolution must contain a description of the affected area and be filed with the county assessor. A resolution adopted after June 30, 2000, may include a determination of the number of years a deduction under section 3, **4.5, or 4.8** of this chapter is allowed. ~~In addition, if the resolution is adopted after June 30, 2000, the resolution may include a determination of the number of years a deduction under section 4.5 of this chapter is allowed.~~

(c) After approval of a resolution under subsection (b), the designating body shall do the following:

(1) Publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1.

(2) File the following information with each taxing unit that has authority to levy property taxes in the geographic area where the economic revitalization area is located:

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

(B) A statement containing substantially the same information as a statement of benefits filed with the designating body before the hearing required by this section under ~~sections~~ **section** 3, ~~and~~ 4.5, **or 4.8** of this chapter.

The notice must state that a description of the affected area is available and can be inspected in the county assessor's office. The notice must also name a date when the designating body will receive and hear all remonstrances and objections from interested persons. The designating body shall file the information required by subdivision (2) with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the public hearing. After considering the evidence, the designating body shall take final action determining whether the qualifications for an economic revitalization area have been met and confirming, modifying and confirming, or rescinding the resolution. This determination is final except that an appeal may be taken and heard as provided under subsections (d) and (e).

(d) A person who filed a written remonstrance with the designating body under this section and who is aggrieved by the final action taken may, within ten (10) days after that final action, initiate an appeal of that action by filing in the office of the clerk of the circuit or superior court a copy of the order of the designating body and ~~his~~ **the person's** remonstrance against that order, together with ~~his~~ **the person's** bond conditioned to pay the costs of ~~his~~ **the person's** appeal if the appeal is determined against ~~him.~~ **the person.** The only ground of appeal that the court may hear is whether the proposed project will meet the qualifications of the economic revitalization area law. The burden of proof is on the appellant.

(e) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal, and may confirm the final action of the designating body or sustain the appeal. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

SECTION 27. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment for which the person desires to claim a deduction under this chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution

equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can

be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), **and subject to subsection (i),** an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, **and subject to subsection (i),** the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE

1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%
6th and thereafter	0%

(6) For deductions allowed over a six (6) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	66%
4th	50%
5th	34%
6th	25%
7th and thereafter	0%

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
8th and thereafter	0%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

YEAR OF DEDUCTION	PERCENTAGE

1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	90%
3rd	80%
4th	70%
5th	60%
6th	50%
7th	40%
8th	30%
9th	20%
10th	10%
11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(i) For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 28. IC 6-1.1-12.1-4.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.**

(b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.

(c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must

include the following information:

(1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.

(3) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.

(4) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.

(d) With the approval of the designating body, the statement of benefits may be incorporated in a designation application. A statement of benefits is a public record that may be inspected and copied under IC 5-14-3.

(e) The designating body must review the statement of benefits required by subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, after the designating body has made the following findings:

(1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(3) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.

(4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area.

(5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the findings required by this subsection are made in the affirmative.

(f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:

(1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and

(2) for subsequent years determined under subsection (g).

(g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, the deduction may not be allowed for more than two (2) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), the amount of the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

(1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property owner; multiplied by

(2) the percentage set forth in the table in subsection (i).

(i) The percentage to be used in calculating the deduction under subsection (h) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(j) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building

was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

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

SECTION 29. IC 6-1.1-12.1-5.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.3. (a) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter must file a deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the eligible vacant building is located. Except as otherwise provided in this section, the deduction application must be filed before May 10 of the year in which the property owner or a tenant of the property owner initially occupies the eligible vacant building.**

(b) If notice of the assessed valuation or new assessment for a year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date the notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

(1) The name of the property owner and, if applicable, the property owner's tenant.

(2) A description of the property for which a deduction is claimed.

(3) The amount of the deduction claimed for the first year of the deduction.

(4) Any other information required by the department of local government finance or the designating body.

(d) A deduction application filed under this section applies to the year in which the property owner or a tenant of the property owner occupies the eligible vacant building and in the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed.

(e) A property owner that desires to obtain the deduction provided by section 4.8 of this chapter but that did not file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year. A deduction application filed under this subsection applies to the year in which the deduction application is filed and the following year if the deduction is allowed for a two (2) year period, without an additional deduction application being filed. The amount of the deduction under this subsection is the

amount that would have been applicable to the year under section 4.8 of this chapter if the deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall do the following:

(1) If a determination concerning the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination concerning the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided by section 4.8 of this chapter are not affected by a change in the ownership of the eligible vacant building or a change in the property owner's tenant, if the new property owner or the new tenant:

(1) continues to occupy the eligible vacant building in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the eligible vacant building is located review the deduction application.

(i) A property owner may appeal a determination of the county auditor under subsection (f) by requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the property owner notice of the determination. An appeal under this subsection shall be processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(j) In addition to the requirements of subsection (c), a property owner that files a deduction application under this section must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 4.8 of this chapter. This information must be included in the deduction application and must also be updated each year in which the deduction is applicable:

(1) at the same time that the property owner or the property owner's tenant files a personal property tax return for property located at the eligible vacant building for which the deduction was granted; or

(2) if subdivision (1) does not apply, before May 15 of each year.

(k) The following information is a public record if filed under

this section:

(1) The name and address of the property owner.

(2) The location and description of the eligible vacant building for which the deduction was granted.

(3) Any information concerning the number of employees at the eligible vacant building for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.

(4) Any information concerning the total of the salaries paid to the employees described in subdivision (3), including estimated totals that are provided as part of the statement of benefits.

(5) Any information concerning the assessed value of the eligible vacant building, including estimates that are provided as part of the statement of benefits.

(l) Information concerning the specific salaries paid to individual employees by the property owner or tenant is confidential.

SECTION 30. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.193-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.9. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.

(b) Not later than forty-five (45) days after receipt of the information described in section 5.1, **5.3(j),** or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3, ~~or~~ 4.5, **or 4.8** of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

(1) An explanation of the reasons for the designating body's determination.

(2) The date, time, and place of a hearing to be conducted by the designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and

whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

(1) the property owner;

(2) the county auditor; and

(3) if the deduction applied under section 4.5 of this chapter, the township assessor.

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is final and conclusive unless an appeal is taken as in other civil actions.

(f) If an appeal under subsection (e) is pending, the taxes resulting from the termination of the deduction are not due until after the appeal is finally adjudicated and the termination of the deduction is finally determined.

SECTION 31. IC 6-1.1-12.1-8, AS AMENDED BY P.L.193-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) Not later than December 31 of each year, the county auditor shall publish the following in a newspaper of general interest and readership and not one of limited subject matter:

(1) A list of the deduction applications that were filed under this chapter during that year that resulted in deductions being applied under this chapter for that year. The list must contain the following:

(A) The name and address of each person approved for or receiving a deduction that was filed for during the year.

(B) The amount of each deduction that was filed for during the year.

(C) The number of years for which each deduction that was

filed for during the year will be available.

(D) The total amount for all deductions that were filed for and applied during the year.

(2) The total amount of all deductions for real property that were in effect under section 3 of this chapter during the year.

(3) The total amount of all deductions for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that were in effect under section 4.5 of this chapter during the year.

(4) The total amount of all deductions for eligible vacant buildings that were in effect under section 4.8 of this chapter during the year.

(b) The county auditor shall file the information described in subsection (a)(2), ~~and~~ (a)(3), **and (a)(4)** with the department of local government finance not later than December 31 of each year.

SECTION 32. IC 6-1.1-12.1-9, AS AMENDED BY P.L.216-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. Notwithstanding any other provision of this chapter, a designating body may not approve a statement of benefits for a deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter after the approval deadline, which is determined in the following manner:

(1) The initial approval deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial approval deadline and subsequent approval deadlines are automatically extended in increments of five (5) years, so that approval deadlines subsequent to the initial approval deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an approval deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of approval deadlines under subdivision (2); and

(B) specifically designates a particular date as the final approval deadline.

SECTION 33. IC 6-1.1-12.1-9.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 9.5. (a) As used in this section, "clerical error" includes mathematical errors and omitted signatures.**

(b) Except as provided in section 9 of this chapter, the designating body may by resolution waive noncompliance with the following requirements in this chapter with respect to a particular deduction under this chapter:

(1) a filing deadline applicable to an application, a statement of benefits, or another document that is required to be filed under this chapter; or

(2) a clerical error in an application, a statement of benefits, or another document that is required to be filed under this chapter;

if the taxpayer otherwise qualifies for the deduction and the

document is filed or the clerical error is corrected before the resolution is adopted. The resolution must specifically identify the property, deductions, and taxpayer that are effected by the resolution, specifically identify the noncompliance that is the subject of the resolution, and include a finding that the noncompliance has been corrected before the adoption of the resolution.

(c) The designating body shall certify a copy of a resolution adopted under this section to the taxpayer and the department of local government finance.

(d) If a noncompliance with this chapter has been corrected and a resolution is adopted under this section, the taxpayer shall be treated as if the taxpayer had complied with the procedural requirements of this chapter. However, if the designating body determines that granting the relief permitted by this section would result in a delay in the issuance of tax bills, require the recalculation of tax rates or tax levies for a particular year, or otherwise cause an undue burden on a taxing unit, the designating body may require that the deduction that the taxpayer would be entitled to receive for a particular year be applied to a subsequent year in the manner prescribed by the department of local government finance.

SECTION 34. IC 6-1.1-12.1-11.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.3. (a) This section applies only to the following requirements:

(1) Failure to provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter.

(2) Failure to submit the completed statement of benefits form to the designating body before the:

(A) initiation of the redevelopment or rehabilitation; ~~or the~~

(B) installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; **or**

(C) occupation of an eligible vacant building;

for which the person desires to claim a deduction under this chapter.

(3) Failure to designate an area as an economic revitalization area before the initiation of the:

(A) redevelopment;

(B) installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment; ~~or~~

(C) rehabilitation; **or**

(D) occupation of an eligible vacant building;

for which the person desires to claim a deduction under this chapter.

(4) Failure to make the required findings of fact before designating an area as an economic revitalization area or authorizing a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution

equipment, or new information technology equipment under section 2, 3, ~~or~~ 4.5, **or 4.8** of this chapter.

(5) Failure to file a:

(A) timely; or

(B) complete;

deduction application under section 5, **5.3,** or 5.4 of this chapter.

(b) This section does not grant a designating body the authority to exempt a person from filing a statement of benefits or exempt a designating body from making findings of fact.

(c) A designating body may by resolution waive noncompliance described under subsection (a) under the terms and conditions specified in the resolution. Before adopting a waiver under this subsection, the designating body shall conduct a public hearing on the waiver.

SECTION 35. IC 6-1.1-12.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) A property owner that has received a deduction under section 3, or 4.5 of this chapter is subject to the provisions of this section if the designating body adopts a resolution incorporating the provisions of this section for the economic revitalization area in which the property owner is located.

(b) If:

(1) the property owner **(or, in the case of a deduction under section 4.8 of this chapter, the property owner or a tenant of the property owner)** ceases operations at the facility for which the deduction was granted; and

(2) the designating body finds that the property owner obtained the deduction by intentionally providing false information concerning the property owner's plans to continue operations at the facility;

the property owner shall pay the amount determined under subsection (e) to the county treasurer.

(c) A property owner may appeal the designating body's decision under subsection (b) by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An appeal under this subsection shall be promptly heard by the court without a jury and determined not more than thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the appeal and may confirm the action of the designating body or sustain the appeal. The judgment of the court is a final determination that may be appealed in the same manner as other civil actions.

(d) If an appeal under subsection (c) is pending, the payment required by this section is not due until after the appeal is finally adjudicated and the property owner's liability for the payment is finally determined.

(e) The county auditor shall determine the amount to be paid by the property owner according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner if the deduction had not been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Multiply the sum determined under STEP TWO by one and one-tenth (1.1).

(f) The county treasurer shall distribute money paid under this section on a pro rata basis to the general fund of each taxing unit that contains the property that was subject to the deduction. The amount to be distributed to the general fund of each taxing unit shall be determined by the county auditor according to the following formula:

STEP ONE: For each year that the deduction was in effect, determine the additional amount of property taxes that would have been paid by the property owner to the taxing unit if the deduction had not been in effect.

STEP TWO: Determine the sum of the STEP ONE amounts.

STEP THREE: Divide the STEP TWO sum by the sum determined under STEP TWO of subsection (e).

STEP FOUR: Multiply the amount paid by the property owner under subsection (e) by the STEP THREE quotient.

SECTION 36. IC 6-1.1-12.1-14, AS AMENDED BY P.L.193-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section does not apply to:

(1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or

(2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 2004.

(b) A property owner that receives a deduction under section 3, ~~or~~ 4.5, **or 4.8** of this chapter is subject to this section only if the designating body, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.

(c) During each year in which a property owner's property tax liability is reduced by a deduction applied under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

STEP ONE: Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

STEP TWO: Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.

STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars ($100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county auditor of the entities that are to receive distributions under this

section and the relative proportions of those distributions. The county auditor shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3, or 4.5, **or 4.8** of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

SECTION 37. IC 6-1.1-12.4-3, AS ADDED BY P.L.193-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 3. (a) For purposes of this section, an increase in the assessed value of personal property is determined in the same manner that an increase in the assessed value of new manufacturing equipment is determined for purposes of IC 6-1.1-12.1.

(b) This subsection applies only to personal property that the owner purchases after March 1, 2005, and before March 2, 2009. Except as provided in sections 4, 5, and 8 of this chapter, an owner that purchases personal property other than inventory (as defined in 50 IAC 4.2-5-1, as in effect on January 1, 2005) that:

(1) was never before used by its owner for any purpose in Indiana; and

(2) creates or retains employment;

is entitled to a deduction from the assessed value of the personal property.

(c) The deduction under this section is first available in the year in which the increase in assessed value resulting from the purchase of the personal property occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to personal property located in a county for a particular year equals the lesser of:

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the purchase of the personal property; multiplied by

(B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) If an appeal of an assessment is approved that results in a reduction of the assessed value of the personal property, the amount of the deduction is adjusted to reflect the percentage decrease that results from the appeal.

(e) A property owner must claim the deduction under this section on the owner's annual personal property tax return. The township assessor shall:

(1) identify the personal property eligible for the deduction to the county auditor; and

(2) inform the county auditor of the deduction amount.

(f) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

(g) The deduction under this section does not apply to personal property at a facility listed in IC 6-1.1-12.1-3(e).

SECTION 38. IC 6-1.1-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After holding the hearings referred to in section 4 of this chapter, the department of local government finance shall, in order to equalize assessed values in any county or in the state as a whole, issue an order increasing or decreasing assessed values of any tangible property if the department finds:

(1) that the assessed values in any county are not uniform and equal as to townships, portions of the same township, or classes of property; or

(2) that the assessed values in this state are not uniform and equal either as between counties or as to classes of property.

(b) The department of local government finance may not issue an equalization order to increase or decrease assessed values under this section more than twelve (12) months after the county estimates of assessed valuation required under ~~IC 6-1.1-17-1~~ **IC 6-1.1-17-1(a)** are filed with the department.

(c) If the department of local government finance issues an equalization order under this section, the department shall state in the order the percentage to be added to or deducted from the assessed value of the tangible property affected by the order.

(d) In issuing an equalization order under this section, the department of local government finance may not reduce or increase the aggregate assessed values of any township beyond the amounts actually necessary for a just and proper equalization of assessments within the entire state.

SECTION 39. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

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

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

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board

is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:

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

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

(A) attend the hearing; and

(B) offer testimony.

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

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. **A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal.** Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

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

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

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

official; and

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

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

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

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (e); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

The county auditor shall provide copies of the documents described in subdivisions (1) through (3) to the taxing units entitled to notice under subsection (c).

(g) Except as provided in subsection (h), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(i) Except as provided in subsection (j), the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

(1) one hundred eighty (180) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(k) ~~Except as provided in subsection (p),~~ The Indiana board may not extend the final determination date under subsection (i) or (j) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this ~~subsection,~~ **section after a hearing,** the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

(l) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(m) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

(n) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

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

(p) The county assessor may:

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

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

in a review proceeding under this section.

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

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

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

SECTION 40. IC 6-1.1-15-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A class action suit against the Indiana board **or the department of local government finance** may not be maintained in any court, including the Indiana tax court, on behalf of a person who has not complied with the requirements of this chapter or IC 6-1.1-26 before the certification of the class.

SECTION 41. IC 6-1.1-17-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. (a) For purposes of this section, "assessed value" has the meaning set forth in IC 6-1.1-1-3(a).

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the assessed value of tangible property that meets the following conditions:

(1) The assessed value of the property is at least nine percent (9%) of the assessed value of all tangible property subject to taxation by a taxing unit. ~~(as defined in IC 6-1.1-1-21).~~

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing unit located in the county, the county auditor may reduce for a calendar year the taxing unit's assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing unit for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing unit's assessed value under this subsection only to enable the taxing unit to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from successful appeals of the assessed value of property located in the taxing unit. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing unit's assessed value for a calendar year under subsection (d) may not exceed the lesser of:

(1) two percent (2%) of the assessed value of tangible property subject to assessment in the taxing unit in that calendar year; or

(2) the total amount of reductions in the assessed value of tangible property subject to assessment in the taxing unit that:

(A) applied for the assessment date in the immediately preceding year; and

(B) resulted from successful appeals of the assessed value of the property.

(f) The amount of a reduction under subsection (d) may not be offered in a proceeding before the:

(1) county property tax assessment board of appeals;

(2) Indiana board; or

(3) Indiana tax court;

as evidence that a particular parcel has been improperly assessed.

SECTION 42. IC 6-1.1-17-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and the

department of local government finance. The statement shall contain:

(1) information concerning the assessed valuation in the political subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance; ~~and~~

(5) the amount of the political subdivision's assessed valuation reduction determined under section 0.5(d) of this chapter; and

~~(5)~~ **(6)** any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e) and except as provided in subsection (f), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section 16(f) of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:

(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (g), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) Subsection (d) does not apply to an adjustment of assessed valuation under IC 36-7-15.1-26.9(d).

(g) The county auditor is not required to hold a public hearing

under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

SECTION 43. IC 6-1.1-17-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. (a) If a county auditor reduces a taxing unit's assessed valuation under section 0.5(d) of this chapter, the department of local government finance shall, in the manner prescribed in section 16 of this chapter, review the budget, tax rate, and tax levy of the taxing unit.**

(b) The county auditor may appeal to the department of local government finance to reduce a taxing unit's assessed valuation by an amount that exceeds the limits set forth in section 0.5(e) of this chapter. The department of local government finance:

(1) may require the county auditor to submit supporting information with the county auditor's appeal;

(2) shall consider the appeal at the time of the review required by subsection (a); and

(3) may approve, modify and approve, or reject the amount of the reduction sought in the appeal.

SECTION 44. IC 6-1.1-17-16, AS AMENDED BY P.L.228-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget by fund, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget by fund, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsections (j) and (k), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget by fund, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The department of local government finance may consider the budgets by fund, tax rates, and tax levies of several

political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets by fund, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection (i), ~~IC 6-1.1-19,~~ **IC 20-45, IC 20-46,** or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget by fund, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office specifying how to make the required reductions in the amount budgeted by fund. The department of local government finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only by fund.

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

(1) no bonds of the building corporation are outstanding; or

(2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

(1) the county auditor;

(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;

(3) the **taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the** first ten (10) taxpayers whose names appear on ~~a petition filed under section 13 of this chapter,~~ **the statement filed to initiate the appeal;** and

(4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department:

(A) acts under an appeal initiated by **one (1) or more** taxpayers under section 13 of this chapter; **or**

(B) fails to act on the appeal before the department certifies its action under subsection (f);

a taxpayer who signed the ~~petition under that section.~~ **statement filed to initiate the appeal.**

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

(4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

(k) The department of local government finance may hold a hearing under subsection (c) only if the notice required in IC 6-1.1-17-12 is published at least ten (10) days before the date of the hearing.

SECTION 45. IC 6-1.1-18-12, AS AMENDED BY HEA 1134-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection

(e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted:

(1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and

(2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

(1) IC 8-10-5-17;
(2) IC 8-22-3-11;
(3) IC 8-22-3-25;
(4) IC 12-29-1-1;
(5) IC 12-29-1-2;
(6) IC 12-29-1-3;
(7) IC 12-29-3-6;
(8) IC 13-21-3-12;
(9) IC 13-21-3-15;
(10) IC 14-27-6-30;
(11) IC 14-33-7-3;
(12) IC 14-33-21-5;
(13) IC 15-1-6-2;
(14) IC 15-1-8-1;
(15) IC 15-1-8-2;
(16) IC 16-20-2-18;
(17) IC 16-20-4-27;
(18) IC 16-20-7-2;
(19) IC 16-22-14;
~~(19)~~ **(20)** IC 16-23-1-29;
~~(20)~~ **(21)** IC 16-23-3-6;
~~(21)~~ **(22)** IC 16-23-4-2;
~~(22)~~ **(23)** IC 16-23-5-6;
~~(23)~~ **(24)** IC 16-23-7-2;
~~(24)~~ **(25)** IC 16-23-8-2;
~~(25)~~ **(26)** IC 16-23-9-2;
~~(26)~~ **(27)** IC 16-41-15-5;
~~(27)~~ **(28)** IC 16-41-33-4;
~~(28)~~ **(29)** IC 20-46-2-3;
(30) IC 20-46-6-5;
~~(29)~~ **(31)** IC 20-49-2-10;
~~(30)~~ **(32)** IC 23-13-17-1;
~~(31)~~ **(33)** IC 23-14-66-2;
~~(32)~~ **(34)** IC 23-14-67-3;
~~(33)~~ **(35)** IC 36-7-13-4;
~~(34)~~ **(36)** IC 36-7-14-28;
~~(35)~~ **(37)** IC 36-7-15.1-16;
~~(36)~~ **(38)** IC 36-8-19-8.5;
~~(37)~~ **(39)** IC 36-9-6.1-2;
~~(38)~~ **(40)** IC 36-9-17.5-4;
~~(39)~~ **(41)** IC 36-9-27-73;
~~(40)~~ **(42)** IC 36-9-29-31;
~~(41)~~ **(43)** IC 36-9-29.1-15;

~~(42)~~ **(44)** IC 36-10-6-2;
~~(43)~~ **(45)** IC 36-10-7-7;
~~(44)~~ **(46)** IC 36-10-7-8;
~~(45)~~ **(47)** IC 36-10-7.5-19;
~~(46)~~ **(48)** IC 36-10-13-5;
~~(47)~~ **(49)** IC 36-10-13-7;
~~(48)~~ **(50)** IC 36-10-14-4;
~~(49)~~ **(51)** IC 36-12-7-7;
~~(50)~~ **(52)** IC 36-12-7-8;
~~(51)~~ **(53)** IC 36-12-12-10; and
~~(52)~~ **(54)** any statute enacted after December 31, 2003, that:
(A) establishes a maximum rate for any part of the:
(i) property taxes; or
(ii) special benefits taxes;
imposed by a political subdivision; and
(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:
(A) Zero (0).
(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 46. IC 6-1.1-18.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means **the greater of:**

(1) the remainder of:

(A) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 47. IC 6-1.1-18.5-13, AS AMENDED BY HEA 1156-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

(A) the cost of personal services (including fringe benefits);

(B) the cost of supplies; and

(C) any other cost directly related to the operation of the court.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and ~~three-hundredths (1.03).~~ **two-hundredths (1.02):**

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the

total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars ($10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made

by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent ($0.01) per one hundred dollars ($100) of assessed valuation.

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents ($0.0667) for each one hundred dollars ($100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may

recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 48. IC 6-1.1-18.5-17 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 17. (a) As used in this section, "levy excess" means the part of the ad valorem property tax levy actually collected by a civil taxing unit, for taxes first due and payable during a particular calendar year, that exceeds the civil taxing unit's ad valorem property tax levy, as approved by the department of local government finance under IC 6-1.1-17. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

(b) A civil taxing unit's levy excess is valid and may not be contested on the grounds that it exceeds the civil taxing unit's levy limit for the applicable calendar year. However, the civil taxing unit shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the civil taxing unit's levy excess fund.

(c) The chief fiscal officer of a civil taxing unit may invest money in the civil taxing unit's levy excess fund in the same manner in which money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance shall require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 49. IC 6-1.1-19-1.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes. **The term does not include delinquent ad valorem property taxes collected during a particular year that were**

assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), its levy excess in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The department of local government finance shall require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the ad valorem property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars ($100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 50. IC 6-1.1-20.9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An individual who desires to claim the credit provided by section 2 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May~~ **June** 11 of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured

home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use within sixty (60) days after the date of that change. An individual who changes the use of the individual's real property and fails to file the statement required by this subsection is liable for the amount of the credit ~~he~~ **the individual** was allowed under this chapter for that real property.

(d) An individual who receives the credit provided by section 2 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the credit in the following year is not required to file a statement to reapply for the credit following the removal of the joint owner if:

(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of property in a divorce decree.

SECTION 51. IC 6-1.1-30-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The department of local government finance shall keep a record of its proceedings and orders. The department of local government finance's record is a public record. A copy of the appropriate portion of the record is sufficient evidence in all courts or proceedings to prove an action, rule, or order of the department of local government finance if the copy is:

(1) certified by the commissioner of the department; and

(2) attested to by ~~the deputy~~ **a designee of the** commissioner of the department.

SECTION 52. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real property, the rules of the department of local government finance shall provide for:

(1) the classification of land on the basis of:

(i) acreage;

(ii) lots;

(iii) size;

(iv) location;

(v) use;

(vi) productivity or earning capacity;

(vii) applicable zoning provisions;
(viii) accessibility to highways, sewers, and other public services or facilities; and
(ix) any other factor that the department determines by rule is just and proper; and
(2) the classification of improvements on the basis of:
(i) size;
(ii) location;
(iii) use;
(iv) type and character of construction;
(v) age;
(vi) condition;
(vii) cost of reproduction; and
(viii) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining:
(1) the proper classification of real property;
(2) the size of real property;
(3) the effects that location and use have on the value of real property;
~~(4) the depreciation, including physical deterioration and obsolescence, of real property;~~
~~(5) the cost of reproducing improvements;~~
~~(6)~~ **(4)** the productivity or earning capacity of:
(A) agricultural land; and
(B) real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
~~(7)~~ **(5)** sales data for generally comparable properties; and
~~(8)~~ **(6)** the true tax value of real property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) With respect to the assessment of real property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under the rules of the department of local government finance.

SECTION 53. IC 6-1.1-36-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. (a) Subject to subsections (b) and (c), and except as provided in subsection (d), a document, including a form, a return, or a writing of any type, which must be filed by a due date under this article or IC 6-1.5, is considered to be filed by the due date if the document is:**
(1) received on or before the due date by the appropriate recipient;
(2) deposited in United States first class mail:
(A) properly addressed to the appropriate recipient;
(B) with sufficient postage; and
(C) postmarked by the United States Postal Service as

mailed on or before the due date;

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the appropriate recipient; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received by the express parcel carrier on or before the due date; or

(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:

(A) properly addressed to the appropriate recipient;

(B) with sufficient postage; and

(C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(b) If a document is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the document is considered to have filed the document on or before the due date if the person can show by reasonable evidence that the document was deposited in the United States mail on or before the due date.

(c) If a document is sent via the United States mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the document is considered to have filed the document on or before the due date if the person:

(1) can show by reasonable evidence that the document was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and

(2) files a duplicate document within thirty (30) days after the date the person is notified that the document was not received.

(d) This section does not apply to a payment addressed in IC 6-1.1-37-10(f).

SECTION 54. IC 6-1.1-36-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 12. (a) A board of county commissioners, a county assessor, or an elected township assessor may enter into a ~~properly approved~~ contract for the discovery of property that has been undervalued or omitted from assessment. The contract must prohibit payment to the contractor for discovery of undervaluation or omission with respect to a parcel or personal property return before all appeals of the assessment of the parcel or the assessment under the return have been finalized. The contract may require the contractor to:

(1) examine and verify the accuracy of personal property returns filed by taxpayers with a township assessor of a township in the county; and

(2) compare a return with the books of the taxpayer and with

personal property owned, held, possessed, controlled, or occupied by the taxpayer.

~~(b) The investigation and collection expenses of a contract under subsection (a) may be deducted from the gross amount of taxes collected on the undervalued or omitted property that is so discovered. The remainder of the taxes collected on the undervalued or omitted property shall be distributed to the appropriate taxing units.~~

(b) This subsection applies if funds are not appropriated for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer shall deposit the amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property. The fund remains in existence during the term of the contract. Distributions shall be made from the fund without appropriation only for the following purposes:

(1) All contract fees and other costs related to the contract.

(2) After the payments required by subdivision (1) have been made and the contract has expired, the county auditor shall distribute all money remaining in the fund to the appropriate taxing units in the county using the property tax rates of each taxing unit in effect at the time of the distribution.

(c) A board of county commissioners, a county assessor, or an elected township assessor may not contract for services under subsection (a) on a percentage basis.

SECTION 55. IC 6-1.1-37-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) Except as provided in section 10.5 of this chapter, if an installment of property taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency.

(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a), on the day immediately following the due dates in May and November of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. With respect to property taxes due in installments under IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:

(1) six (6) months; or

(2) a multiple of six (6) months.

(c) The penalties under subsection (b) are imposed only on the principal amount of the delinquent taxes.

(d) If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the department shall establish by order a new date on which the installment

of taxes in that county is due and no installment is delinquent if paid by the date so established.

(e) If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

(f) **Subject to subsections (g) and (h),** a payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date ~~to~~ **by** the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in ~~the~~ United States **first class** mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) ~~certified or~~ postmarked by the United States Postal Service as mailed on or before the due date; ~~or~~

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received **by the express parcel carrier** on or before the due date;

(4) deposited to be mailed through United States registered mail, United States certified mail, or United States certificate of mailing:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) with a date of registration, certification, or certificate, as evidenced by any record authenticated by the United States Postal Service, on or before the due date; or

(5) made by an electronic fund transfer and the taxpayer's bank account is charged on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

(g) If a payment is mailed through the United States mail and is physically received after the due date without a legible correct postmark, the person who mailed the payment is considered to have made the payment on or before the due date if the person can show by reasonable evidence that the payment was deposited in the United States mail on or before the due date.

(h) If a payment is sent via the United states mail or a nationally recognized express parcel carrier but is not received by the designated recipient, the person who sent the payment is considered to have made the payment on or before the due date if the person:

(1) can show by reasonable evidence that the payment was deposited in the United States mail, or with the express parcel carrier, on or before the due date; and

(2) makes a duplicate payment within thirty (30) days after the date the person is notified that the payment was not received.

SECTION 56. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that

amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the economic development district that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory ordinance is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Notwithstanding any other law, each assessor shall, upon petition of the fiscal body, reassess the taxable property situated upon or in, or added to, the economic development district effective on the next assessment date after the petition.

(e) Notwithstanding any other law, the assessed value of all taxable property in the economic development district, for purposes of tax limitation, property tax replacement (except as provided in IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(f) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

(1) taxes imposed under this article on real property; and

(2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is

adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (f); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 57. IC 6-1.1-40-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **Sec. 1.5. As used in this chapter, "affiliate" means an entity that effectively controls or is controlled by an applicant for a deduction under this chapter or is associated with an applicant for a deduction under this chapter under common ownership or control, whether by shareholdings or other means.**

SECTION 58. IC 6-1.1-40-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 4. As used in this chapter, "new manufacturing equipment" means any tangible personal property that **an applicant for the deduction under section 11 of this chapter:**

(1) ~~is installed~~ **installs** in a district;

(2) ~~is used~~ **uses** in the direct production, manufacture, fabrication, assembly, extraction, mining, processing, refining, or finishing of other tangible personal property; ~~and~~

(3) ~~was acquired by its owner~~ **acquires in an arms length transaction from an entity that is not an affiliate of the applicant** for use as described in subdivision (2); and

(4) ~~was~~ never ~~before~~ used ~~by its owner~~ for any purpose in Indiana **before the installation described in subdivision (1).**

SECTION 59. IC 6-1.1-40-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) **Subject to subsection (e),** an owner of new manufacturing equipment or inventory, or both, whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment and inventory for a period of ten (10) years. Except as provided in subsections (c) and (d), **and subject to subsection (e),** for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. **Subject to subsection (e),** for the sixth through the tenth year, the amount of the deduction equals the product of:

(1) the assessed value of the new manufacturing equipment; multiplied by

(2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

(b) For the first year the amount of the deduction for inventory equals the assessed value of the inventory. For the next nine (9) years, the amount of the deduction equals:

(1) the assessed value of the inventory for that year; multiplied by

(2) the owner's export sales ratio for the previous year, as certified by the department of state revenue under IC 6-3-2-13.

(c) A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

(d) If a deduction is not fully allowed under subsection (c) in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

(e) For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 60. IC 6-1.1-45-9, AS ADDED BY P.L.214-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) **Subject to subsection (c),** a taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the

qualified investment. The amount of the deduction is equal to the remainder of:

(1) the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus

(2) the total amount of the base year assessed value for the enterprise zone location.

(b) To receive the deduction allowed under subsection (a) for a particular year, a taxpayer must comply with the conditions set forth in this chapter.

(c) A taxpayer that makes a qualified investment in an enterprise zone established under IC 5-28-15-11 that is under the jurisdiction of a military base reuse authority board created under IC 36-7-14.5 or IC 36-7-30-3 is entitled to a deduction under this section only if the deduction is approved by the military base reuse authority board.

SECTION 61. IC 6-1.5-4-2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. In order to obtain information that is necessary to the Indiana board's conduct of a necessary or proper inquiry, the Indiana board or a board administrative law judge may:**

(1) subpoena and examine witnesses;

(2) administer oaths; and

(3) subpoena and examine books or papers that are in the hands of any person.

SECTION 62. IC 6-1.5-5-2, AS AMENDED BY P.L.199-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) After receiving a petition for review that is filed under a statute listed in section 1(a) of this chapter, the Indiana board shall, at its earliest opportunity:

(1) conduct a hearing; or

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

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

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

(1) assign:

(A) full;

(B) limited; or

(C) no;

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

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

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

(1) the taxpayer;

(2) the department of local government finance; and

(3) the appropriate:

(A) township assessor;
(B) county assessor; and
(C) county auditor.

(d) With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notices required under subsection (c) must include the following:

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

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

(A) attend the hearing;
(B) offer testimony; and
(C) file an amicus curiae brief in the proceeding.

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

(e) If, after receiving notice of a hearing under subsection (c), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. **A taxing unit that receives a notice from the county auditor under this subsection is not a party to the appeal.** Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

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

SECTION 63. IC 6-1.5-5-5, AS AMENDED BY P.L.199-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. After the hearing, the Indiana board shall give the petitioner, the township assessor, the county assessor, the county auditor, ~~the affected taxing units required to be notified under section 2(e) of this chapter,~~ and the department of local government finance:

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

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

The county auditor shall provide copies of the documents described in subdivisions (1) and (2) to the taxing units entitled to notice under section 2(e) of this chapter.

SECTION 64. IC 6-1.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The Indiana board shall conduct a hearing or cause a hearing to be conducted within six (6) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(b) The Indiana board shall make a final determination within the later of forty-five (45) days after the hearing or the date set in an

extension order issued by the Indiana board. However, the Indiana board may not extend the final determination date by more than one hundred eighty (180) days.

(c) The failure of the Indiana board to conduct a hearing within the period prescribed in this section does not constitute notice to the person of an Indiana board final determination.

~~(c) The failure of~~ **(d) If** the Indiana board **fails** to make a final determination within the time allowed by this section ~~shall be treated as a final determination of~~ **after a hearing, the entity that initiated the petition may:**

(1) take no action and wait for the Indiana board to ~~deny the petition.~~ **make a final determination; or**

(2) initiate a proceeding for judicial review by taking the action required by IC 6-1.1-15-5(b) at any time after the maximum time elapses.

(e) If:

(1) a judicial proceeding is initiated under subsection (d); and

(2) the Indiana board has not issued a determination;

the tax court shall determine the matter de novo.

SECTION 65. IC 8-1.5-5-32, AS ADDED BY SEA 71-2006, SECTION 1, AND HEA 1212-2006, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) This section applies to excluded cities and towns in a county containing a consolidated city.

(b) A municipality to which this section applies may withdraw from the district established by the consolidated city if the municipal legislative body adopts an ordinance withdrawing the municipality from the district. The municipal legislative body shall, at least thirty (30) days before the final vote on the ordinance, mail written notice of the meeting to the following:

(1) All owners of lots and parcels within the municipality that are subject to storm water user fees imposed in the district by the department of public works of the consolidated city.

(2) The department of public works of the consolidated city.

(c) An ordinance described in subsection (b) takes effect sixty (60) days after adoption by the municipal legislative body.

(d) In addition to the notice required by subsection (b), if a municipal legislative body adopts an ordinance under subsection (b), the municipal legislative body shall mail written notice of the withdrawal from the district to the department of public works of the consolidated city not more than thirty (30) days after the ordinance becomes effective.

(e) If on the date of a municipality's withdrawal from the district there are bonds outstanding that have been issued by the board of public works of the consolidated city, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the municipality bears to the assessed valuation of all property included in the district on the date one (1) day before the date of withdrawal, as shown in the most recent assessment for taxation before the date of withdrawal.

(f) If a municipal legislative body adopts an ordinance under

subsection (b), the ~~district~~ **municipality** is entitled to receive the following:

(1) An annual lump sum payment equal to the total amount of property taxes paid and allocated to the district's flood debt service fund from all property taxpayers within the municipality, to the extent the property taxes are not necessary to pay the indebtedness owed by the municipality under subsection (e). A payment under this subdivision is required for property taxes assessed beginning on the January 1 preceding the effective date of the municipality's withdrawal from the district.

(2) The total amount of storm water user fees collected by the department of public works of the consolidated city from the lots and parcels in the municipality beginning on the January 1 preceding the effective date of the municipality's withdrawal from the district.

(g) Payments received under subsection (f):

(1) shall be deposited by the municipality in a dedicated fund; and

(2) may be used by the municipality only for purposes of storm water management in the municipality and may not be diverted, directly or indirectly, in any manner to any use other than the purposes of storm water management in the municipality.

SECTION 66. IC 8-22-3.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

(c) After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value (as defined in section 9 of this chapter) to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the airport development zone's special funds under section 9 of this chapter.

SECTION 67. IC 16-22-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 14. Levy for Emergency Medical Services

Sec. 1. As used in this chapter, "qualified expenses" means expenses incurred by a county hospital to provide emergency medical services (as defined in IC 16-18-2-110).

Sec. 2. The governing board of a county hospital may request support from the county for qualified expenses, either by:

(1) appropriation from the county general fund; or

(2) a separate tax levy;

by filing with the county executive on or before August 1 a written

budget of the amount estimated to be required to fund qualified expenses for the ensuing year.

Sec. 3. Subject to sections 4 and 5 of this chapter, a county may establish a separate property tax levy for a county hospital to compensate the county hospital for the county hospital's qualified expenses.

Sec. 4. The property tax rate imposed under this chapter may not exceed the lesser of the following:

(1) Six cents ($0.06) on each one hundred dollars ($100) of assessed valuation.

(2) The property tax rate that is necessary to generate tax revenues in an amount equal to the county hospital's qualified expenses in the ensuing year, as estimated in the governing body's budget request under section 2 of this chapter.

Sec. 5. Property taxes imposed under this chapter are subject to the county's levy limitations imposed under IC 6-1.1-18.5-3.

Sec. 6. The amount levied under this chapter is in addition to any other amount levied for a county hospital.

Sec. 7. An amount levied under this chapter:

(1) must be appropriated as other county funds are appropriated; and

(2) may be used only for qualified expenses.

SECTION 68. IC 20-44-3-2, AS ADDED BY HEA 1134-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter, "levy excess" means that part of the property tax levy actually collected by a school corporation for taxes first due and payable during a particular calendar year that exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes. **The term does not include delinquent ad valorem property taxes collected during a particular year that were assessed for an assessment date that precedes the assessment date for the current year in which the ad valorem property taxes are collected.**

SECTION 69. IC 20-46-6-5, AS ADDED BY HEA 1134-2006, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006] Sec. 5. Subject to ~~IC 6-1.1-18-13~~ **IC 6-1.1-18-12** and IC 6-1.1-18.5-9.9, to provide for the fund, the governing body may, for each year in which a plan is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents ($0.4167) on each one hundred dollars ($100) of assessed valuation of the school corporation. The actual rate imposed by the governing body must be advertised in the same manner as other property tax rates.

SECTION 70. IC 33-26-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. ~~The office of~~ **Subject to IC 4-6-2-11, IC 4-6-5-3, and the written approval of** the attorney general, ~~shall represent~~ a township assessor, a county assessor, a county auditor, a member of a county property tax assessment board of appeals, or a county property tax assessment board of appeals that:

(1) made an original determination that is the subject of a judicial

proceeding in the tax court; and

(2) is a defendant in a judicial proceeding in the tax court;

may elect to be represented in the judicial proceeding by an attorney selected and paid by the defendant, the township, or the county.

SECTION 71. IC 36-7-14-35 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 35. (a) In order to:

(1) undertake survey and planning activities under this chapter;

(2) undertake and carry out any redevelopment project, ~~or~~ urban renewal project, **or housing program;**

(3) pay principal and interest on any advances;

(4) pay or retire any bonds and interest on them; or

(5) refund loans previously made under this section;

the redevelopment commission may apply for and accept advances, short term and long term loans, grants, contributions, and any other form of financial assistance from the federal government, or from any of its agencies. The commission may also enter into and carry out contracts and agreements in connection with that financial assistance upon the terms and conditions that the commission considers reasonable and appropriate, as long as those terms and conditions are not inconsistent with the purposes of this chapter. The provisions of such a contract or agreement in regard to the handling, deposit, and application of project funds, as well as all other provisions, are valid and binding on the unit or its executive departments and officers, as well as the commission, notwithstanding any other provision of this chapter.

(b) The redevelopment commission may issue and sell bonds, notes, or warrants to the federal government to evidence short term or long term loans made under this section, without notice of sale being given or a public offering being made.

(c) Notwithstanding the provisions of this or any other chapter, bonds, notes, or warrants issued by the redevelopment commission under this section may:

(1) be in the amounts, form, or denomination;

(2) be either coupon or registered;

(3) carry conversion or other privileges;

(4) have a rank or priority;

(5) be of such description;

(6) be secured (subject to other provisions of this section) in such manner;

(7) bear interest at a rate or rates;

(8) be payable as to both principal and interest in a medium of payment, at a time or times (which may be upon demand) and at a place or places;

(9) be subject to terms of redemption (with or without premium);

(10) contain or be subject to any covenants, conditions, and provisions; and

(11) have any other characteristics;

that the commission considers reasonable and appropriate.

(d) Bonds, notes, or warrants issued under this section are not an indebtedness of the unit or taxing district within the meaning of any

constitutional or statutory limitation of indebtedness. The bonds, notes, or warrants are not payable from or secured by a levy of taxes, but are payable only from and secured only by income, funds, and properties of the project becoming available to the redevelopment commission under this chapter, as the commission specifies in the resolution authorizing their issuance.

(e) Bonds, notes, or warrants issued under this section are exempt from taxation for all purposes.

(f) Bonds, notes, or warrants issued under this section must be executed by the appropriate officers of the unit in the name of the "City (or Town or County) of _____, Department of Redevelopment", and must be attested by the appropriate officers of the unit.

(g) Following the adoption of the resolution authorizing the issuance of bonds, notes, or warrants under this section, the redevelopment commission shall certify a copy of that resolution to the officers of the unit who have duties with respect to bonds, notes, or warrants of the unit. At the proper time, the commission shall deliver to the officers the unexecuted bonds, notes, or warrants prepared for execution in accordance with the resolution.

(h) All bonds, notes, or warrants issued under this section shall be sold by the officers of the unit who have duties with respect to the sale of bonds, notes, or warrants of the unit. If an officer whose signature appears on any bonds, notes, or warrants issued under this section leaves office before their delivery, the signature remains valid and sufficient for all purposes as if ~~he~~ **the officer** had remained in office until the delivery.

(i) If at any time during the life of a loan contract or agreement under this section the redevelopment commission can obtain loans for the purposes of this section from sources other than the federal government at interest rates not less favorable than provided in the loan contract or agreement, and if the loan contract or agreement so permits, the commission may do so and may pledge the loan contract and any rights under that contract as security for the repayment of the loans obtained from other sources. Any loan under this subsection may be evidenced by bonds, notes, or warrants issued and secured in the same manner as provided in this section for loans from the federal government. These bonds, notes, or warrants may be sold at either public or private sale, as the commission considers appropriate.

(j) Money obtained from the federal government or from other sources under this section, and money that is required by a contract or agreement under this section to be used for project expenditure purposes, repayment of survey and planning advances, or repayment of temporary or definitive loans, may be expended by the redevelopment commission without regard to any law pertaining to the making and approval of budgets, appropriations, and expenditures.

(k) Bonds, notes, or warrants issued under this section are declared to be issued for an essential public and governmental purpose.

SECTION 72. IC 36-7-14-39, AS AMENDED BY P.L.216-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 39. (a) As used in this

section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project

area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the

following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements in or serving that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) in or serving that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in or serving that allocation area under any lease entered into under IC 36-1-10.

(I) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive

the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1). The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set

forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section.

After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 73. IC 36-7-14-45 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 45. (a) The commission may establish a program for housing by resolution. The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of sections 39 and 48 of this chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.**

(b) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any housing program to the commission, the department of redevelopment:

(1) shall consult with persons interested in or affected by the proposed program;

(2) shall provide the affected neighborhood associations, residents, and township assessors with an adequate

opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and

(3) shall hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents.

SECTION 74. IC 36-7-14-46 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 46. (a) Except as provided in subsection (b), all the rights, powers, privileges, and immunities that may be exercised by the commission in blighted, deteriorated, or deteriorating areas may be exercised by the commission in implementing its program for housing, including the following:**

(1) The special tax levied in accordance with section 27 of this chapter may be used to accomplish the housing program.

(2) Bonds may be issued under this chapter to accomplish the housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area except for refunding bonds or bonds issued in an amount necessary to complete a housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under section 39 of this chapter.

(b) A commission may not exercise the power of eminent domain in implementing its program for housing.

SECTION 75. IC 36-7-14-47 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 47. The commission must make the following findings in the resolution adopting a housing program under section 45 of this chapter:**

(1) Not more than twenty-five (25) acres of the area included in the allocation area has been annexed during the preceding five (5) years.

(2) No area within the allocation area has been annexed within the preceding five (5) years over a remonstrance of a majority of the owners of land within the annexed area.

(3) The program cannot be accomplished by regulatory processes or by the ordinary operation of private enterprise because of:

(A) the lack of public improvements;

(B) the existence of improvements or conditions that lower the value of the land below that of nearby land; or

(C) other similar conditions.

(4) The public health and welfare will be benefited by accomplishment of the program.

(5) The accomplishment of the program will be of public utility and benefit as measured by:

(A) the provision of adequate housing for low and moderate income persons;

(B) an increase in the property tax base; or

(C) other similar public benefits.

(6) At least one-third (1/3) of the parcels in the allocation area established by the program are vacant.

(7) At least seventy-five percent (75%) of the allocation area is used for residential purposes or is planned to be used for residential purposes.

(8) At least one-third (1/3) of the residential units in the allocation area were constructed before 1941.

(9) At least one-third (1/3) of the parcels in the allocation area have at least one (1) of the following characteristics:

(A) The dwelling unit on the parcel is not permanently occupied.

(B) The parcel is the subject of a governmental order, issued under a statute or an ordinance, requiring the correction of a housing code violation or unsafe building condition.

(C) Two (2) or more property tax payments on the parcel are delinquent.

(D) The parcel is owned by local, state, or federal government.

(10) The total area within the county or municipality that is included in any allocation area established for a housing program under section 45 of this chapter does not exceed one hundred fifty (150) acres.

SECTION 76. IC 36-7-14-48 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.**

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income

is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) Providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable on May 10 and November 10 of a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or

under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(2)(A) through 39(b)(2)(H) and 39(b)(2)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 39(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 39(b)(2) of this chapter; and

(C) to reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 77. IC 36-7-15.1-26, AS AMENDED BY P.L.216-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2006 (RETROACTIVE)]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the

redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the base assessed value when multiplied by the estimated tax rate of the allocated area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes

described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic

skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 78. IC 36-7-15.1-53, AS AMENDED BY P.L.216-2005,

SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 53. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 40 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Except as provided in section 55 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision that may not be more than thirty (30) years after the date on which the allocation provision is established. However, if bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax

proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements in that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) in that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility in that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of assessed value needed to provide the property

taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Notify the county auditor of the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use

the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 79. IC 36-7-30-25, AS AMENDED BY P.L.4-2005, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 25. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of

the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the military base reuse district and, when collected, paid into an allocation fund for that allocation area that may be used by the military base reuse district and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the reuse authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property

tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government

finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 80. IC 36-7-30.5-30, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 30. (a) The following definitions apply throughout this section:

(1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment to the declaratory resolution, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 16 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 18 of this chapter. The allocation provision may apply to all or part of the military base development area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the development authority and, when collected, paid

into an allocation fund for that allocation area that may be used by the development authority and only to do one (1) or more of the following:

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or benefitting that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.

(C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or benefitting that allocation area.

(E) Pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 32 of this chapter in the same year.

(F) Pay expenses incurred by the development authority for local public improvements or structures that were in the allocation area or directly serving or benefitting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the development authority.

(3) Except as provided in subsection (g), before July 15 of each year the development authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the appropriate county auditor of the amount, if any, of the amount of excess property taxes that the development authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision are eligible for the property tax replacement credit provided under IC 6-1.1-21.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by a taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value.

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

(e) Notwithstanding any other law, each assessor shall, upon petition of the development authority, reassess the taxable property situated upon or in or added to the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and the making of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser

of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section.** However, the ~~adjustment~~ **adjustments under this subsection** may not include the effect of property tax abatements under IC 6-1.1-12.1, and ~~the adjustment~~ **these adjustments** may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment **or annual adjustment** had not occurred. The department of local government finance may prescribe procedures for

county and township officials to follow to assist the department in making the adjustments.

SECTION 81. IC 36-7-32-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. **After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter.**

SECTION 82. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: **IC 6-1.1-4-12, as amended by this act, applies only to assessment dates after December 31, 2005.**

SECTION 83. [EFFECTIVE UPON PASSAGE] **(a) The definitions in IC 6-1.1-12.1 apply throughout this SECTION.**

(b) As used in this SECTION, "department" refers to the department of local government finance.

(c) As used in this SECTION, "taxpayer" means a person:

(1) who operates a grey iron foundry located in Grant County;

(2) who applied in 2001 for property tax deductions under IC 6-1.1-12.1 for new manufacturing equipment located in an economic revitalization area; and

(3) whose applications described in subdivision (2) were denied.

(d) References to the Indiana Code in this SECTION refer to the Indiana Code in effect on March 1, 2001, unless otherwise stated.

(e) Notwithstanding any other law, a taxpayer who complies with the requirements of this SECTION is entitled to the property tax deduction for new manufacturing equipment in the amounts and for the number of years provided under IC 6-1.1-12.1-4.5, as determined by the department under subsection (h).

(f) The taxpayer shall provide the department with copies of the taxpayer's:

(1) statement of benefits; and

(2) applications for deductions from assessed value;

for new manufacturing equipment placed in service in an economic revitalization area that the taxpayer filed in 2001.

(g) If there are any deficiencies in the taxpayer's filings described in subsection (f), the department shall assist the taxpayer in completing the information necessary to determine:

(1) the assessed value of the new manufacturing equipment; and

(2) the number of years over which the taxpayer is entitled to

the deduction under this SECTION.

(h) The department shall determine:

(1) the amount of the assessed value of the new manufacturing equipment;

(2) the number of years over which the taxpayer is entitled to the deduction under this SECTION; and

(3) the percentages used to compute the taxpayer's deductions;

in accordance with IC 6-1.1-12.1-4.5(d) and IC 6-1.1-12.1-4.5(e) as if the taxpayer's applications for deductions had been approved in 2001.

(i) Notwithstanding IC 6-1.1-26 (as in effect on January 1, 2006), when the department has completed the department's determinations under subsection (h), the department shall issue an order to the county auditor of the county in which the economic revitalization area is located:

(1) describing the department's determinations under subsection (h); and

(2) requiring the county auditor to accept the taxpayer's refund claims as if the taxpayer's deduction applications had been approved in 2001.

The department shall provide the taxpayer with a copy of the order issued under this subsection.

(j) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the taxpayer may file refund claims for property taxes paid in previous years that are affected by the department's order issued under subsection (i). The taxpayer must attach a copy of the order issued under subsection (i) to the taxpayer's refund claim.

(k) Notwithstanding IC 6-1.1-26 (as in effect January 1, 2006), the county auditor shall pay the refund claims of the taxpayer filed under subsection (j) if the refund claims are fully consistent with the department's order issued under subsection (i).

SECTION 84. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to property that:**

(1) is used for a fraternity for students attending Butler University;

(2) is owned by a nonprofit corporation that was, before the effective date of this SECTION, determined by the auditor of the county in which the property is located to be eligible to receive a property tax exemption under IC 6-1.1-10-16 or IC 6-1.1-10-24; and

(3) is not eligible for the property tax exemption under IC 6-1.1-10-16 or IC 6-1.1-10-24 for property taxes first due and payable in 2001, 2002, 2003, and 2004 because the nonprofit corporation failed to timely file an application under IC 6-1.1-11-3.5.

(b) Notwithstanding IC 6-1.1-11-1 and IC 6-1.1-11-3.5, the auditor of the county in which the property described in subsection (a) is located shall:

(1) waive the noncompliance with the timely filing requirement for the exemption application in question; and

(2) grant the appropriate exemption.

(c) A property tax exemption granted under this SECTION applies to:

(1) property taxes first due and payable in 2001;

(2) property taxes first due and payable in 2002;

(3) property taxes first due and payable in 2003; and

(4) property taxes first due and payable in 2004.

(d) This SECTION expires July 1, 2007.

SECTION 85. P.L.228-2005, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE] SECTION 35. (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) As used in this SECTION, "taxpayer" means a nonprofit corporation that is an owner of land and improvements:

(1) that were:

(A) owned and occupied by the taxpayer during the period preceding the assessment date in 1999 and continuing through the date that this SECTION is effective; and

(B) used to prepare and create a soccer facility to provide youths with the opportunity to play supervised and organized soccer against other youths;

(2) for which the property tax liability imposed for property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004 exceeded ~~thirty-three~~ **thirty** thousand dollars ~~($33,000)~~ **($30,000),** in total, which has been paid by the taxpayer;

(3) that would have qualified for an exemption under IC 6-1.1-10 from property taxes first due and payable in 2000, 2001, 2002, 2003, and 2004 if the taxpayer had complied with the filing requirements for the exemption in a timely manner; and

(4) that have been granted an exemption under IC 6-1.1-10 from property taxes first due and payable in 2005.

(c) Land and improvements described in subsection (b) are exempt under IC 6-1.1-10-16 from property taxes first due and payable in 2003 and 2004, notwithstanding that the taxpayer failed to make a timely application for the exemption for those years.

(d) The taxpayer may file claims with the county auditor for a refund for the amounts paid toward property taxes on land and improvements described in subsection (b) that were billed to the taxpayer for property taxes first due and payable in 2003 and 2004. The claims must be filed as set forth in IC 6-1.1-26-1(1) through IC 6-1.1-26-1(3). The claims must present sufficient facts for the county auditor to determine whether the claimant is a person that meets the qualifications described in subsection (b) and the amount that should be refunded to the taxpayer.

(e) Upon receiving a claim filed under this SECTION, the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the county auditor shall submit the claim under IC 6-1.1-26-4 to the county board of commissioners for review. The only grounds for disallowing the claim under IC 6-1.1-26-4 are that the claimant is not a person that meets the qualifications described in subsection (b) or that the amount claimed is not the amount due to the taxpayer. If the claim is allowed, the county

auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant under this SECTION. The amount of the refund must equal the amount of the claim allowed. Notwithstanding IC 6-1.1-26-5, no interest is payable on the refund.

(f) This SECTION shall be liberally construed in favor of the taxpayer to give effect to the purposes of this SECTION.

~~(f)~~ **(g)** This SECTION expires December 31, 2007.

SECTION 86. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] **(a) IC 6-1.1-12.1-1 and IC 6-1.1-40-4, both as amended by this act, apply only to:**

(1) new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment installed and initially used in an economic revitalization area; or

(2) new manufacturing equipment installed and initially used in a maritime opportunity district;

after December 31, 2005.

(b) It is the intent of the general assembly that the amendment of IC 6-1.1-12.1-1 and IC 6-1.1-40-4 by this act be interpreted to expand the equipment that is eligible for a deduction under IC 6-1.1-12.1 or IC 6-1.1-40 to include equipment that is ineligible for a deduction under IC 6-1.1-12.1 or IC 6-1.1-40 solely because the equipment was used in Indiana by a person other than a deduction applicant (as defined in IC 6-1.1-12.1-1(15), as added by this act) before being installed by the deduction applicant in an economic revitalization area or a maritime opportunity district.

SECTION 87. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "eligible district" means a fire protection district established under IC 36-8-11:**

(1) that expanded its territory after 1998; and

(2) for which the quotient of:

(A) the taxable assessed value of all tangible property in the district for the assessment date (as defined in IC 6-1.1-1-2) in 2004; divided by

(B) subject to subsection (b), the taxable assessed value of all tangible property in the district for the assessment date (as defined in IC 6-1.1-1-2) in 1999;

is at least one and one-half (1.5).

(b) To account for the change in the definition of "assessed value" reflected in IC 6-1.1-1-3(a)(1) and IC 6-1.1-1-3(a)(2), the taxable assessed value to be used for purposes of subsection (a)(2)(B) is the product of:

(1) the actual taxable assessed value; multiplied by

(2) three (3).

(c) An eligible district may, before September 20, 2006, appeal to the department of local government finance for relief from the levy limitations imposed by IC 6-1.1-18.5 for property taxes first due and payable in 2007. In the appeal the district must:

(1) state that it will be unable to carry out the governmental

functions committed to it by law unless the appeal is approved; and

(2) present evidence that it is an eligible district.

(d) The maximum increase in an eligible district's levy allowed under this SECTION is four hundred twenty-five thousand dollars ($425,000).

(e) The department of local government finance shall process the appeal in the same manner that the department processes appeals under IC 6-1.1-18.5-12.

(f) For purposes of computing an eligible district's ad valorem property tax levy for taxes first due and payable in 2008, the district's maximum permissible ad valorem property tax levy for property taxes first due and payable in 2007 under STEP ONE of IC 6-1.1-18.5-3(a) or STEP ONE of IC 6-1.1-18.5-3(b) includes the amount of any increase in the district's levy approved under this SECTION for property taxes first due and payable in 2007.

(g) This SECTION expires January 1, 2009.

SECTION 88. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a taxpayer that:**

(1) is an entity that was established for the purpose of providing youths with the opportunity to play supervised and organized baseball against other youths;

(2) before 2002 qualified as a nonprofit corporation under Indiana law;

(3) during 2002, 2003, 2004, and 2005 did not maintain its status as a nonprofit corporation under Indiana law due to the failure to make certain filings;

(4) regained its status as a nonprofit corporation beginning in 2006; and

(5) was assessed by the department of state revenue for delinquent state gross retail taxes owed for 2002, 2003, 2004, and 2005 and has paid those assessments.

(b) A taxpayer described in subsection (a) is entitled to a refund of the payments described in subsection (a)(5) to the extent that the state gross retail taxes for which the assessments were made would not have been owed if the taxpayer had maintained its status as a nonprofit corporation during the years for which the assessments were made.

(c) A taxpayer that is entitled to a refund under this SECTION shall claim the refund under IC 6-8.1-9 in the manner prescribed by the department of state revenue.

(d) This SECTION expires July 1, 2008.

SECTION 89. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the county property tax assessment board of appeals.**

(b) This SECTION applies to an organization that:

(1) is located in a county containing a consolidated city;

(2) is dedicated to nurturing and celebration of the arts and culture from an African-American perspective and provides a forum for arts and cultural programming directed toward cross-cultural appreciation;

(3) filed an application under IC 6-1.1-11 for exemption from property taxes on the organization's property first due and payable in 2005, which was denied by the board because the organization failed to attend the board's hearing on the exemption application; and

(4) filed an application under IC 6-1.1-11 for exemption from property taxes on the organization's property first due and payable in 2006, which was approved by the board.

(c) An organization described in subsection (b) is entitled to exemption from property taxes on the organization's property first due and payable in 2005 in the same percentage approved by the board with respect to the organization's exemption application described in subsection (b)(4).

(d) The organization entitled to an exemption under subsection (c) may file a claim under IC 6-1.1-26-1 before July 1, 2006, with the county auditor for a refund for any payment of property taxes first due and payable in 2005, including any paid interest and penalties, with respect to the exempt property.

(e) Upon receiving a claim for a refund filed under subsection (d), the county auditor shall determine whether the claim is correct. If the county auditor determines that the claim is correct, the auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount of the refund due the claimant. No interest is payable on the refund.

(f) This SECTION expires January 1, 2007.

SECTION 90. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] **(a) This SECTION applies:**

(1) to an assessment date occurring after December 31, 2004, and before January 1, 2006; and

(2) for property taxes first due and payable after December 31, 2005, and before January 1, 2007.

(b) Notwithstanding any other law requiring a property tax exemption to be claimed on or in an application accompanying a personal property tax return, a claim or an application that was filed on or with a personal property tax return not more than thirty (30) days after the filing date for the personal property tax return, regardless of whether an extension of the filing date was granted under IC 6-1.1-3-7, is considered to have been timely filed.

(c) A claim or an application filed in the manner described in subsection (b) is subject to all other requirements of IC 6-1.1-11 or any other statute requiring the claim or application to be filed on or with a personal property tax return.

(d) A county auditor shall grant an exemption claimed on or filed with a personal property tax return filed in the time permitted under subsection (b) upon the county auditor's determination that:

(1) the taxpayer's claim or application satisfies all other applicable requirements; and

(2) the taxpayer's property is otherwise eligible for the claimed exemption.

An exemption granted under this subsection shall be made in the

manner prescribed by subsection (e).

(e) A county auditor shall apply an exemption granted under this SECTION by:

(1) adjusting the second installment of the taxpayer's property taxes that are first due and payable in 2006; and

(2) if necessary, refunding any property taxes paid in the taxpayer's first installment of property taxes in 2006 that are attributable to the exempt property.

A taxpayer is not required to apply for any refund due under this SECTION. The auditor shall, without an appropriation being required, issue a warrant to the taxpayer payable from the county general fund for the amount of the refund, if any, due the taxpayer. No interest is payable on the refund.

(f) This SECTION expires January 1, 2007.

SECTION 91. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] **(a) As used in this SECTION:**

(1) "department" refers to the department of local government finance; and

(2) "maximum levy" means the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5-3.

(b) This SECTION applies only in a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000).

(c) Notwithstanding IC 6-1.1-18.5-3, the maximum levy for property taxes first due and payable in 2007 for:

(1) a public library that:

(A) is located in a county described in subsection (b); and

(B) has a maximum levy for property taxes first due and payable in 2006 that is more than three hundred thousand dollars ($300,000);

is five hundred twenty-four thousand five hundred dollars ($524,500); and

(2) a county contractual library located in a county described in subsection (b) is equal to three hundred eighty six thousand hundred dollars ($386,000).

(d) This SECTION expires January 1, 2008.

SECTION 92. [EFFECTIVE UPON PASSAGE] **IC 6-1.1-8.5-8, as amended by this act, applies to the assessment date in each year in which IC 6-1.1-8.5 applied or applies in a qualifying county.**

SECTION 93. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies notwithstanding IC 6-1.1-8 or 50 IAC 5.1.**

(b) As used in this SECTION, "amended return" means a return:

(1) that was filed after July 31, 2005; and

(2) that the department accepts as a taxpayer's final amended return for the assessment date.

(c) As used in this SECTION, "assessment date" means the March 1, 2005, assessment date.

(d) As used in this SECTION, "department" refers to the department of local government finance.

(e) As used in this SECTION, "return" means the statement of

value and description of property required under IC 6-1.1-8-19 that is filed on the Annual Report (U.D. Form 45), as prescribed by the department, and is filed with the department on or before July 31, 2005.

(f) As used in this SECTION, "taxpayer" means a taxpayer that meets the requirements of subsection (g).

(g) This SECTION applies to any taxpayer that:

(1) is a public utility that provides water utility services in Indiana and is subject to taxation under IC 6-1.1-8;

(2) is required to file a return under IC 6-1.1-8-19;

(3) filed a return with the department with respect to the assessment date; and

(4) filed an amended return with the department with respect to the assessment date.

(h) Before June 1, 2006, the department shall review the assessed value identified on line 47 of the taxpayer's amended return as the assessed value of all the taxpayer's distributable property as of the assessment date. If the department determines that this assessed value:

(1) is correct; and

(2) is less than the assessed value identified in the taxpayer's return as the assessed value of all the taxpayer's distributable property as of the assessment date;

the taxpayer is entitled to a credit under this SECTION.

(i) Before July 1, 2006, the department shall determine the amount of the credit to which a taxpayer is entitled under this SECTION and notify the county auditor of that amount. For purposes of this subsection, the department shall assume that the taxpayer will pay the full amount of the taxpayer's installment or installments of property taxes first due and payable after June 30, 2006, and before January 1, 2007.

(j) The amount of the credit under this SECTION:

(1) is the remainder of:

(A) the amount of property taxes the taxpayer pays with respect to its distributable property for taxes first due and payable in 2006; minus

(B) the amount of property taxes for which the taxpayer would have been liable with respect to its distributable property for taxes first due and payable in 2006 if those property taxes had been based on the assessed value identified on line 47 of the taxpayer's amended return instead of the assessed value identified in the taxpayer's return; and

(2) applies proportionately to the taxpayer's installments of property taxes first due and payable in 2007.

(k) Interest does not apply in the determination of the amount of the credit under this SECTION.

(l) The county auditor shall adjust the assessed value used in setting property tax rates for each political subdivision in the county for property taxes first due and payable in 2007 to eliminate levy reductions that would otherwise result from the application of

credits under this SECTION.

(m) In setting property tax rates for property taxes first due and payable in 2007 for each political subdivision in the county, the department shall:

(1) use the assessed value as adjusted by the county auditor under subsection (l); or

(2) further adjust the assessed value for the following purposes:

(A) To ensure the elimination of levy reductions that would otherwise result from the application of credits under this SECTION.

(B) To account for a failure of the taxpayer to pay property taxes in the amount assumed under subsection (i).

SECTION 94. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies to a township that:**

(1) has a population of more than seven thousand twenty-five (7,025) but less than seven thousand five hundred (7,500); and

(2) is located in a county that has a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000).

(b) A township described in subsection (a) may appeal to the department of local government finance for permission to increase its levy in excess of the limitations established under IC 6-1.1-18.5-3 for 2006 ad valorem property taxes first due and payable in 2007. The department may:

(1) refer the appeal to the local government tax control board for a recommendation; and

(2) approve the appeal if the department finds that the township needs the increase to pay the costs of providing emergency medical services by paramedics in the township.

(c) This SECTION expires January 1, 2008.

SECTION 95. [EFFECTIVE UPON PASSAGE] **(a) The department of local government finance shall:**

(1) develop a recommendation for an amendment to IC 6-1.1-18.5, as amended by this act, to adjust maximum permissible levies under that chapter for property taxes first due and payable after 2007 to effect for those years the type of adjustment that results for property taxes first due and payable in 2007 from the amendment by this act of the definition of "maximum permissible ad valorem property tax levy for the preceding calendar year" in IC 6-1.1-18.5-1; and

(2) report its recommendation under subdivision (1) before November 1, 2006, to the legislative council in an electronic format under IC 5-14-6.

(b) This SECTION expires January 1, 2007.

SECTION 96. [EFFECTIVE UPON PASSAGE] **(a) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement IC 6-1.1-12.4, as added by this act. A temporary rule adopted under this SECTION expires on the earliest of the following:**

(1) The date that the department of local government finance adopts another temporary rule under this SECTION that repeals, amends, or supersedes the previously adopted temporary rule.

(2) The date that the department of local government finance adopts a permanent rule under IC 4-22-2 that repeals, amends, or supersedes the previously adopted temporary rule.

(3) The date specified in the temporary rule.

(4) July 1, 2007.

(b) This SECTION expires July 1, 2007.

SECTION 97. [EFFECTIVE UPON PASSAGE] **The following, all as added or amended by this act, apply only to property taxes first due and payable after December 31, 2006:**

(1) IC 6-1.1-8-28.

(2) IC 6-1.1-8-29.

(3) IC 6-1.1-8-30.

(4) IC 6-1.1-11-3.

(5) IC 6-1.1-12-2.

(6) IC 6-1.1-12-4.

(7) IC 6-1.1-12-10.1.

(8) IC 6-1.1-12-12.

(9) IC 6-1.1-12-15.

(10) IC 6-1.1-12-17.

(11) IC 6-1.1-12-17.5.

(12) IC 6-1.1-12-17.8.

(13) IC 6-1.1-12-20.

(14) IC 6-1.1-12-24.

(15) IC 6-1.1-12-30.

(16) IC 6-1.1-12-35.5.

(17) IC 6-1.1-12-38.

(18) IC 6-1.1-12.1-4.5.

(19) IC 6-1.1-12.4-3.

(20) IC 6-1.1-18.5-1.

(21) IC 6-1.1-18.5-13.

(22) IC 6-1.1-20.9-3.

(23) IC 6-1.1-40-10.

(24) IC 6-1.1-45-9.

SECTION 98. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)] **IC 6-1.1-4-12, as amended by this act, applies only to assessment dates after December 31, 2005.**

SECTION 99. **An emergency is declared for this act.**

(Reference is to ESB 260 as reprinted February 22, 2006.)

Conference Committee Report
on
Engrossed Senate Bill 260

Signed by:

Senator Kenley Chairperson	Representative Espich
Senator Simpson	Representative Welch
Senate Conferees	**House Conferees**