



February 20, 2009

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## SENATE BILL No. 388

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DIGEST OF SB 388 (Updated February 19, 2009 10:20 am - DI 58)

**Citations Affected:** IC 6-1.1; IC 12-29.

**Synopsis:** Property tax levies for mental health services. Permits a county that wants to impose a property tax levy for the first time after 2008 for a community mental health center or a community mental retardation and other developmental disabilities center to submit a first year budget for approval by the department of local government finance. Provides that the first year levy for the approved budget is outside the property tax levy limit.

**Effective:** January 1, 2009 (retroactive).

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**Broden, Skinner**

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January 8, 2009, read first time and referred to Committee on Appropriations.  
February 19, 2009, amended, reported favorably — Do Pass.

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SB 388—LS 6651/DI 51+



February 20, 2009

First Regular Session 116th General Assembly (2009)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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## SENATE BILL No. 388



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

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

1 SECTION 1. IC 6-1.1-18.5-10, AS AMENDED BY P.L.146-2008,  
 2 SECTION 174, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 10. (a)  
 4 ~~Subject to subsection (d);~~ The ad valorem property tax levy limits  
 5 imposed by section 3 of this chapter do not apply to ad valorem  
 6 property taxes imposed by a civil taxing unit to be used to fund:  
 7 (1) community mental health centers under:  
 8 (A) IC 12-29-2-1.2, for only those civil taxing units that  
 9 authorized financial assistance under IC 12-29-1 before 2002  
 10 for a community mental health center as long as the tax levy  
 11 under this section does not exceed the levy authorized in 2002;  
 12 (B) IC 12-29-2-2 through IC 12-29-2-5; and  
 13 (C) IC 12-29-2-13; or  
 14 (2) community mental retardation and other developmental  
 15 disabilities centers under IC 12-29-1-1;  
 16 to the extent that those property taxes are attributable to any increase  
 17 in the assessed value of the civil taxing unit's taxable property caused

SB 388—LS 6651/DI 51+



1 by a general reassessment of real property that took effect after  
2 February 28, 1979.

3 (b) ~~Subject to subsection (d)~~; For purposes of computing the ad  
4 valorem property tax levy limits imposed on a civil taxing unit by  
5 section 3 of this chapter, the civil taxing unit's ad valorem property tax  
6 levy for a particular calendar year does not include that part of the levy  
7 described in subsection (a).

8 (c) This subsection applies to property taxes first due and payable  
9 after December 31, 2008. Notwithstanding subsections (a) and (b) or  
10 any other law, any property taxes imposed by a civil taxing unit that are  
11 exempted by this section from the ad valorem property tax levy limits  
12 imposed by section 3 of this chapter may not increase annually by a  
13 percentage greater than the result of:

- 14 (1) the assessed value growth quotient determined under section
- 15 2 of this chapter; minus
- 16 (2) one (1).

17 ~~(d) The exemptions under subsections (a) and (b) from the ad~~  
18 ~~valorem property tax levy limits do not apply to a civil taxing unit that~~  
19 ~~did not fund a community mental health center or community mental~~  
20 ~~retardation and other developmental disabilities center in 2008.~~

21 **(d) For a county that did not impose an ad valorem property tax**  
22 **levy before January 1, 2009, for the county general fund to provide**  
23 **financial assistance under IC 12-29-1 (community mental**  
24 **retardation and other developmental disabilities center) or**  
25 **IC 12-29-2 (community mental health center), the levy limits do not**  
26 **apply to the part of the county's general fund that is used in the**  
27 **first ensuing calendar year to provide financial assistance under**  
28 **IC 12-29-1 or IC 12-29-2. The department of local government**  
29 **finance shall review a county's proposed budget that is submitted**  
30 **under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final**  
31 **determination of the county's financial assistance budget for the**  
32 **first ensuing calendar year.**

33 SECTION 2. IC 12-29-1-1 IS AMENDED TO READ AS  
34 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
35 Sec. 1. (a) The county executive of a county may authorize the  
36 furnishing of financial assistance to a community mental retardation  
37 and other developmental disabilities center that is located or will be  
38 located in the county.

39 (b) Assistance authorized under this section shall be used for the  
40 following purposes:

- 41 (1) Constructing a center.
- 42 (2) Operating a center.

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1 (c) Upon request of the county executive, the county fiscal body  
2 may appropriate annually from the county's general fund the money to  
3 provide financial assistance for the purposes described in subsection  
4 (b). The appropriation may not exceed the amount that could be  
5 collected from an annual tax levy of not more than three and  
6 thirty-three hundredths cents (\$0.0333) on each one hundred dollars  
7 (\$100) of taxable property within the county.

8 **(d) If a county did not provide financial assistance under this**  
9 **chapter before January 1, 2009, the county may propose a financial**  
10 **assistance budget for an ensuing calendar year. The county shall**  
11 **refer its proposed budget for the first calendar year to the**  
12 **department of local government finance before the tax levy is**  
13 **advertised. The budget for the first calendar year is subject to**  
14 **review and approval under IC 6-1.1-18.5-10.**

15 SECTION 3. IC 12-29-2-1.2 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
17 Sec. 1.2. (a) The county executive of a county may authorize the  
18 furnishing of financial assistance for the purposes described in  
19 subsection (b) to a community mental health center that is located or  
20 will be located:

- 21 (1) in the county;
- 22 (2) anywhere in Indiana, if the community mental health center is  
23 organized to provide services to at least two (2) counties,  
24 including the county executive's county; or
- 25 (3) in an adjacent state, if the center is organized to provide  
26 services to Indiana residents, including residents in the county  
27 executive's county.

28 If a community mental health center is organized to serve more than  
29 one (1) county, upon request of the county executive, each county fiscal  
30 body may appropriate money annually from the county's general fund  
31 to provide financial assistance for the community mental health center.

32 (b) Assistance authorized under this section shall be used for the  
33 following purposes:

- 34 (1) Constructing a community mental health center.
- 35 (2) Operating a community mental health center.

36 (c) The appropriation from a county authorized under subsection (a)  
37 may not exceed the following:

38 ~~(1) For 2004, the product of the amount determined under section~~  
39 ~~2(b)(1) of this chapter multiplied by one and five hundred four~~  
40 ~~thousandths (1.504):~~

41 ~~(2) for 2005 and each year thereafter, the product of the amount~~  
42 ~~determined under section 2(b)(2) of this chapter for that year~~

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1 multiplied by one and five hundred four thousandths (1.504).  
2 **(d) If a county did not provide financial assistance under this**  
3 **chapter before January 1, 2009, the county may propose a financial**  
4 **assistance budget for an ensuing calendar year. The county shall**  
5 **refer its proposed budget for the first calendar year to the**  
6 **department of local government finance before the tax levy is**  
7 **advertised. The budget for the first calendar year is subject to**  
8 **review and approval under IC 6-1.1-18.5-10.**  
9 SECTION 4. An emergency is declared for this act.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 388, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, reset in roman lines 8 through 16.

Page 2, between lines 20 and 21, begin a new paragraph and insert:

**"(d) For a county that did not impose an ad valorem property tax levy before January 1, 2009, for the county general fund to provide financial assistance under IC 12-29-1 (community mental retardation and other developmental disabilities center) or IC 12-29-2 (community mental health center), the levy limits do not apply to the part of the county's general fund that is used in the first ensuing calendar year to provide financial assistance under IC 12-29-1 or IC 12-29-2. The department of local government finance shall review a county's proposed budget that is submitted under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final determination of the county's financial assistance budget for the first ensuing calendar year.**

SECTION 2. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to a community mental retardation and other developmental disabilities center that is located or will be located in the county.

(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a center.
- (2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(d) If a county did not provide financial assistance under this chapter before January 1, 2009, the county may propose a financial assistance budget for an ensuing calendar year. The county shall refer its proposed budget for the first calendar year to the department of local government finance before the tax levy is advertised. The budget for the first calendar year is subject to**

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**review and approval under IC 6-1.1-18.5-10.**

SECTION 3. IC 12-29-2-1.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:  
Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

- (1) in the county;
- (2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or
- (3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a community mental health center.
- (2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

- (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by one and five hundred four thousandths (1.504);
- (2) for 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).

**(d) If a county did not provide financial assistance under this chapter before January 1, 2009, the county may propose a financial assistance budget for an ensuing calendar year. The county shall refer its proposed budget for the first calendar year to the department of local government finance before the tax levy is advertised. The budget for the first calendar year is subject to**

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**review and approval under IC 6-1.1-18.5-10."**

Renumber all SECTIONS consecutively.  
and when so amended that said bill do pass.

(Reference is to SB 388 as introduced.)

KENLEY, Chairperson

Committee Vote: Yeas 9, Nays 0.

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