



Reprinted
February 3, 2016

HOUSE BILL No. 1215

DIGEST OF HB 1215 (Updated February 2, 2016 3:38 pm - DI 58)

Citations Affected: IC 4-4; IC 6-1.1; IC 33-36; IC 33-37; noncode.

Synopsis: State and local matters. Permits an historic preservation or rehabilitation grant to be awarded at the time plans are approved. Requires a grant contract between the office of community and rural affairs and the person receiving the grant. Provides that the grant may be up to 35%, instead of 20%, of the qualified expenditures, but the grant may not exceed \$100,000. Replaces a certification that the work substantially complies with the proposed plan with a finding that the plan complies with the program guidelines. Eliminates the deadlines for completing the work. Provides that if the grant applicant is a nonprofit organization facilitating a qualified affordable housing project, the organization does not have to be the owner of the historic property to receive a grant. Provides that a heritage barn must be at least 50 years old as of the assessment date for which the deduction is claimed. Provides that a heritage barn may not be used for a business purpose unless the heritage barn was constructed at least one hundred years before the assessment date. Allows a city or town with a law enforcement agency that prosecutes at least one ordinance violation in a circuit or superior court of the county to collect a share of the semiannual distribution of certain court fees. (Current law requires a city or town to prosecute at least 50% of the city's or town's ordinance violations in the circuit or superior court to receive a share of the semiannual distribution of court fees.) Urges the legislative council to assign the study of the personal property audit process to the interim study committee on fiscal policy during the 2016 interim.

Effective: January 1, 2016 (retroactive); July 1, 2016.

Cherry, Brown T, Thompson

January 11, 2016, read first time and referred to Committee on Ways and Means.
January 25, 2016, amended, reported — Do Pass.
February 2, 2016, read second time, amended, ordered engrossed.

HB 1215—LS 7006/DI 113



Reprinted
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Second Regular Session of the 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1215

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 4-4-37-1.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2016]: **Sec. 1.3. As used in this chapter, "division" refers to the**
4 **division of historic preservation and archeology of the department**
5 **of natural resources established by IC 14-21-1.**

6 SECTION 2. IC 4-4-37-7, AS ADDED BY P.L.213-2015,
7 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2016]: Sec. 7. (a) The office may award a grant to a person ~~in~~
9 ~~the year in which the person completes~~ **who submits plans for** the
10 preservation or rehabilitation of historic property and obtains the
11 certifications required under section 8 of this chapter.

12 (b) The maximum amount of a grant awarded under this section is
13 equal to ~~twenty percent (20%)~~ **thirty-five percent (35%)** of the
14 qualified expenditures, **not to exceed one hundred thousand dollars**
15 **(\$100,000)**, that:

HB 1215—LS 7006/DI 113



- (1) the person makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the office.

(c) Each grant shall be made under a grant agreement by and between the office and the person receiving the grant. The grant agreement must include all of the following:

- (1) A timeline for completing the project, including milestones that the person commits to achieving by the time specified.**
- (2) The approved plans for the preservation or rehabilitation of the historic property.**
- (3) The estimated cost of the preservation or rehabilitation of the historic property and all sources of money for the project.**
- (4) The financing plan by the person proposing the project.**
- (5) The remedies available to the office if the grant is made and the project does not substantially comply with the proposed plan approved under this chapter.**
- (6) Any other terms or conditions the office considers appropriate.**

SECTION 3. IC 4-4-37-8, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. The office may award a grant to a person if all the following conditions are met:

- (1) The historic property is:
 - (A) located in Indiana;
 - (B) at least fifty (50) years old; and
 - (C) owned by the person. **This requirement does not apply to a nonprofit organization facilitating a qualified affordable housing project.**
- (2) The office certifies that the historic property is listed in:
 - (A) the register of Indiana historic sites and historic structures;
 - or
 - (B) the National Register of Historic Places, either individually or as a contributing resource in a National Register District.**
- (3) The office certifies that the person submitted a proposed preservation or rehabilitation plan to the division that complies with the standards of the division.
- ~~(4) The office certifies that the preservation or rehabilitation work that is the subject of the grant substantially complies with the proposed plan referred to in subdivision (3):~~
- ~~(5) The preservation or rehabilitation work is completed in not more than:~~



(A) two (2) years; or

(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(4) The submitted plan referenced in section 7 of this chapter complies with the program guidelines established by the office.

~~(6)~~ **(5) The historic property is to be:**

(A) actively used in a trade or business;

(B) held for the production of income; or

(C) held for the rental or other use in the ordinary course of the person's trade or business.

~~(7)~~ **(6) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).**

SECTION 4. IC 4-4-37-9, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. The office may provide the certifications referred to in section 8(3) ~~and 8(4)~~ of this chapter if a person's proposed preservation or rehabilitation plan complies with the standards of the office and the person's preservation or rehabilitation work complies with the plan.

SECTION 5. IC 6-1.1-12-26.2, AS ADDED BY P.L.117-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]: Sec. 26.2. (a) The following definitions apply throughout this section:

(1) "Barn" means a building (other than a dwelling) that was designed to be used for:

(A) housing animals;

(B) storing or processing crops;

(C) storing and maintaining agricultural equipment; or

(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

(2) "Heritage barn" ~~for an assessment date~~ means a barn that ~~on the assessment date has the following characteristics, as applicable:~~

(A) ~~The barn~~ was constructed ~~before 1950; at least fifty (50) years before the assessment date.~~

(B) ~~The barn~~ retains sufficient integrity of design, materials,



and construction to clearly identify the building as a barn.

(C) **The barn** is not being used for agricultural purposes in the operation of an agricultural enterprise. ~~and~~

(D) **This clause applies only to a barn that was constructed less than one hundred (100) years before the assessment date. The barn** is not being used for a business purpose.

(3) "Eligible applicant" means:

(A) an owner of a heritage barn; or

(B) a person that is purchasing property, including a heritage barn, under a contract that:

(i) gives the person a right to obtain title to the property upon fulfilling the terms of the contract;

(ii) does not permit the owner to terminate the contract as long as the person buying the property complies with the terms of the contract;

(iii) specifies that during the term of the contract the person must pay the property taxes on the property; and

(iv) has been recorded with the county recorder.

(b) An eligible applicant is entitled to a deduction against the assessed value of the structure and foundation of a heritage barn beginning with assessments after 2014. The deduction is equal to one hundred percent (100%) of the assessed value of the structure and foundation of the heritage barn.

(c) An eligible applicant that desires to obtain the deduction provided by this section must file a certified deduction application with the auditor of the county in which the heritage barn is located. The application may be filed in person or by mail. The application must contain the information and be in the form prescribed by the department of local government finance. If mailed, the mailing must be postmarked on or before the last day for filing.

(d) Subject to subsection (e) and section 45 of this chapter, the application must be filed during the year preceding the year in which the deduction will first be applied. Upon verification of the application by the county assessor of the county in which the property is subject to assessment or by the township assessor of the township in which the property is subject to assessment (if there is a township assessor for the township), the auditor of the county shall allow the deduction.

(e) The auditor of a county shall, in a particular year, apply the deduction provided under this section to the heritage barn of the owner that received the deduction in the preceding year unless the auditor of the county determines that the property is no longer eligible for the deduction. A person that receives a deduction under this section in a



particular year and that remains eligible for the deduction in the following year is not required to file an application for the deduction in the following year. A person that receives a deduction under this section in a particular year and that becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the property is located of the ineligibility in the year in which the person becomes ineligible. A deduction under this section terminates following a change in ownership of the heritage barn. However, a deduction under this section does not terminate following the removal of less than all the joint owners of property or purchasers of property under a contract described in subsection (a).

(f) A county fiscal body may adopt an ordinance to require a person receiving the deduction under this section to pay an annual public safety fee for each heritage barn for which the person receives a deduction under this section. The fee may not exceed fifty dollars (\$50). The county auditor shall distribute any public safety fees collected under this section equitably among the police and fire departments in whose territories each heritage barn is located. If a county fiscal body adopts an ordinance under this subsection, the county fiscal body shall furnish a copy of the ordinance to the department in the manner prescribed by the department.

SECTION 6. IC 33-36-3-6, AS AMENDED BY P.L.1-2010, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~(a)~~ An ordinance violation admitted under this article does not constitute a judgment for the purposes of IC 33-37. An ordinance violation costs fee may not be collected from the defendant under IC 33-37-4.

~~(b) An ordinance violation processed under this chapter may not be considered for the purposes of IC 33-37-7-6 when determining the percentage of ordinance violations prosecuted in certain courts.~~

SECTION 7. IC 33-37-7-6, AS AMENDED BY P.L.201-2011, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) The qualified municipality share to be distributed to each city and town maintaining a law enforcement agency that prosecutes at least ~~fifty percent (50%)~~ **one (1)** of the city's or town's ordinance violations in a circuit or superior court located in the county is three percent (3%) of the amount of fees collected under the following:

- (1) IC 33-37-4-1(a) (criminal costs fees).
- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-3(a) (juvenile costs fees).
- (4) IC 33-37-4-4(a) (civil costs fees).



- 1 (5) IC 33-37-4-6(a)(1) (small claims costs fees).
 2 (6) IC 33-37-4-7(a) (probate costs fees).
 3 (7) IC 33-37-5-17 (deferred prosecution fees).
 4 (b) The county auditor shall determine the amount to be distributed
 5 to each city and town qualified under subsection (a) as follows:
 6 STEP ONE: Determine the population of the qualified city or
 7 town.
 8 STEP TWO: Add the populations of all qualified cities and towns
 9 determined under STEP ONE.
 10 STEP THREE: Divide the population of each qualified city and
 11 town by the sum determined under STEP TWO.
 12 STEP FOUR: Multiply the result determined under STEP THREE
 13 for each qualified city and town by the amount of the qualified
 14 municipality share.
 15 (c) The county auditor shall distribute semiannually to each city and
 16 town described in subsection (a) the amount computed for that city or
 17 town under STEP FOUR of subsection (b).
 18 (d) This section applies after ~~June 30, 2005~~. **June 30, 2016.**
 19 **SECTION 8. [EFFECTIVE JULY 1, 2016] (a) The general**
 20 **assembly urges the legislative council to assign the study of the**
 21 **personal property audit process to the interim study committee on**
 22 **fiscal policy during the 2016 legislative interim.**
 23 **(b) This SECTION expires January 1, 2017.**
 24 **SECTION 9. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1215, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 4-4-37-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 1.3. As used in this chapter, "division" refers to the division of historic preservation and archeology of the department of natural resources established by IC 14-21-1.**

SECTION 2. IC 4-4-37-7, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) The office may award a grant to a person ~~in the year in which the person completes~~ **who submits plans for** the preservation or rehabilitation of historic property and obtains the certifications required under section 8 of this chapter.

(b) The maximum amount of a grant awarded under this section is equal to ~~twenty percent (20%)~~ **thirty-five percent (35%)** of the qualified expenditures, **not to exceed one hundred thousand dollars (\$100,000)**, that:

- (1) the person makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the office.

SECTION 3. IC 4-4-37-8, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. The office may award a grant to a person if all the following conditions are met:

- (1) The historic property is:
 - (A) located in Indiana;
 - (B) at least fifty (50) years old; and
 - (C) owned by the person. **This requirement does not apply to a nonprofit organization facilitating a qualified affordable housing project.**
- (2) The office certifies that the historic property is listed in:
 - (A) the register of Indiana historic sites and historic structures;
 - or**
 - (B) the National Register of Historic Places, either



individually or as a contributing resource in a National Register District.

(3) The office certifies that the person submitted a proposed preservation or rehabilitation plan to the division that complies with the standards of the division.

~~(4) The office certifies that the preservation or rehabilitation work that is the subject of the grant substantially complies with the proposed plan referred to in subdivision (3).~~

~~(5) The preservation or rehabilitation work is completed in not more than:~~

~~(A) two (2) years; or~~

~~(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.~~

The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.

(4) The submitted plan referenced in section 7 of this chapter complies with the program guidelines established by the office.

~~(6)~~ **(5) The historic property is to be:**

(A) actively used in a trade or business;

(B) held for the production of income; or

(C) held for the rental or other use in the ordinary course of the person's trade or business.

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SECTION 4. IC 6-1.1-12-26.2, AS ADDED BY P.L.117-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]: Sec. 26.2. (a) The following definitions apply throughout this section:

(1) "Barn" means a building (other than a dwelling) that was designed to be used for:

(A) housing animals;

(B) storing or processing crops;

(C) storing and maintaining agricultural equipment; or

(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

(2) "Heritage barn" **for an assessment date** means a barn that ~~on the assessment date has the following characteristics, as applicable:~~



(A) **The barn** was constructed ~~before 1950~~; **at least fifty (50) years before the assessment date.**

(B) **The barn** retains sufficient integrity of design, materials, and construction to clearly identify the building as a barn.

(C) **The barn** is not being used for agricultural purposes in the operation of an agricultural enterprise. ~~and~~

(D) **This clause applies only to a barn that was constructed less than one hundred (100) years before the assessment date. The barn** is not being used for a business purpose.

(3) "Eligible applicant" means:

(A) an owner of a heritage barn; or

(B) a person that is purchasing property, including a heritage barn, under a contract that:

(i) gives the person a right to obtain title to the property upon fulfilling the terms of the contract;

(ii) does not permit the owner to terminate the contract as long as the person buying the property complies with the terms of the contract;

(iii) specifies that during the term of the contract the person must pay the property taxes on the property; and

(iv) has been recorded with the county recorder.

(b) An eligible applicant is entitled to a deduction against the assessed value of the structure and foundation of a heritage barn beginning with assessments after 2014. The deduction is equal to one hundred percent (100%) of the assessed value of the structure and foundation of the heritage barn.

(c) An eligible applicant that desires to obtain the deduction provided by this section must file a certified deduction application with the auditor of the county in which the heritage barn is located. The application may be filed in person or by mail. The application must contain the information and be in the form prescribed by the department of local government finance. If mailed, the mailing must be postmarked on or before the last day for filing.

(d) Subject to subsection (e) and section 45 of this chapter, the application must be filed during the year preceding the year in which the deduction will first be applied. Upon verification of the application by the county assessor of the county in which the property is subject to assessment or by the township assessor of the township in which the property is subject to assessment (if there is a township assessor for the township), the auditor of the county shall allow the deduction.

(e) The auditor of a county shall, in a particular year, apply the deduction provided under this section to the heritage barn of the owner



that received the deduction in the preceding year unless the auditor of the county determines that the property is no longer eligible for the deduction. A person that receives a deduction under this section in a particular year and that remains eligible for the deduction in the following year is not required to file an application for the deduction in the following year. A person that receives a deduction under this section in a particular year and that becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the property is located of the ineligibility in the year in which the person becomes ineligible. A deduction under this section terminates following a change in ownership of the heritage barn. However, a deduction under this section does not terminate following the removal of less than all the joint owners of property or purchasers of property under a contract described in subsection (a).

(f) A county fiscal body may adopt an ordinance to require a person receiving the deduction under this section to pay an annual public safety fee for each heritage barn for which the person receives a deduction under this section. The fee may not exceed fifty dollars (\$50). The county auditor shall distribute any public safety fees collected under this section equitably among the police and fire departments in whose territories each heritage barn is located. If a county fiscal body adopts an ordinance under this subsection, the county fiscal body shall furnish a copy of the ordinance to the department in the manner prescribed by the department.

SECTION 5. IC 33-36-3-6, AS AMENDED BY P.L.1-2010, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~(a)~~ An ordinance violation admitted under this article does not constitute a judgment for the purposes of IC 33-37. An ordinance violation costs fee may not be collected from the defendant under IC 33-37-4.

~~(b) An ordinance violation processed under this chapter may not be considered for the purposes of IC 33-37-7-6 when determining the percentage of ordinance violations prosecuted in certain courts.~~

SECTION 6. IC 33-37-7-6, AS AMENDED BY P.L.201-2011, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) The qualified municipality share to be distributed to each city and town maintaining a law enforcement agency that prosecutes at least ~~fifty percent (50%)~~ **one (1)** of the city's or town's ordinance violations in a circuit or superior court located in the county is three percent (3%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).



- (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- (3) IC 33-37-4-3(a) (juvenile costs fees).
- (4) IC 33-37-4-4(a) (civil costs fees).
- (5) IC 33-37-4-6(a)(1) (small claims costs fees).
- (6) IC 33-37-4-7(a) (probate costs fees).
- (7) IC 33-37-5-17 (deferred prosecution fees).

(b) The county auditor shall determine the amount to be distributed to each city and town qualified under subsection (a) as follows:

STEP ONE: Determine the population of the qualified city or town.

STEP TWO: Add the populations of all qualified cities and towns determined under STEP ONE.

STEP THREE: Divide the population of each qualified city and town by the sum determined under STEP TWO.

STEP FOUR: Multiply the result determined under STEP THREE for each qualified city and town by the amount of the qualified municipality share.

(c) The county auditor shall distribute semiannually to each city and town described in subsection (a) the amount computed for that city or town under STEP FOUR of subsection (b).

(d) This section applies after ~~June 30, 2005~~: **June 30, 2016.**

SECTION 7. [EFFECTIVE JULY 1, 2016] (a) The general assembly urges the legislative council to assign the study of the personal property audit process to the interim study committee on fiscal policy during the 2016 legislative interim.

(b) This SECTION expires January 1, 2017."

Delete pages 2 through 14.

Page 15, delete lines 1 through 41.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1215 as introduced.)

BROWN T

Committee Vote: yeas 22, nays 0.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1215 be amended to read as follows:

Page 3, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 4. IC 4-4-37-9, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. The office may provide the certifications referred to in section 8(3) ~~and 8(4)~~ of this chapter if a person's proposed preservation or rehabilitation plan complies with the standards of the office and the person's preservation or rehabilitation work complies with the plan."

Renumber all SECTIONS consecutively.

(Reference is to HB 1215 as printed January 26, 2016.)

CLERE

HOUSE MOTION

Mr. Speaker: I move that House Bill 1215 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"(c) Each grant shall be made under a grant agreement by and between the office and the person receiving the grant. The grant agreement must include all of the following:

- (1) A timeline for completing the project, including milestones that the person commits to achieving by the time specified.**
- (2) The approved plans for the preservation or rehabilitation of the historic property.**
- (3) The estimated cost of the preservation or rehabilitation of the historic property and all sources of money for the project.**
- (4) The financing plan by the person proposing the project.**
- (5) The remedies available to the office if the grant is made and the project does not substantially comply with the proposed plan approved under this chapter.**
- (6) Any other terms or conditions the office considers appropriate."**

(Reference is to HB 1215 as printed January 26, 2016.)

RIECKEN

