

HOUSE BILL No. 1273

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 36-6-6-14; IC 36-8-19; IC 36-12-2-25.

Synopsis: Various property tax matters. Changes the calculation of the statewide agricultural base rate value per acre for the 2016 assessment date and each assessment date thereafter to use the assessed value growth quotient from the year preceding the assessment year. Requires assessing officials to maintain geographic information system characteristics of real property parcels and to transmit that data annually to the geographic information office of the office of technology. Defines the term "mortgage" for purposes of the property tax mortgage deduction. Restates the maximum assessed value limit for determining eligibility for the disabled veteran property tax deduction to require the assessed value of the certain property to be less than or equal to \$143,160. Provides that a county auditor may accept a deduction application for a property tax abatement deduction only if the designating body has specified an abatement schedule for the deduction. Prohibits a taxing unit from transferring property tax receipts to the property tax assessment appeals fund if the property tax receipts are: (1) held in a debt service fund; or (2) treated as levy excess. Removes phrasing to emphasize that a political subdivision may not base an excess levy appeal on normal population growth. Removes obsolete provisions concerning excess levy appeals by political subdivisions. Modifies certain responsibilities of the division of data analysis of the department of local government finance. Provides that the department of local government finance may cancel any delinquencies, fees, special assessments, and penalties, in addition to property taxes, that are owed on property that is owned by the state, a county, a city, a town, a township, or a locally established port
(Continued next page)

Effective: January 1, 2016 (retroactive); January 2, 2016 (retroactive); July 1, 2016; January 1, 2017.

Leonard

January 11, 2016, read first time and referred to Committee on Ways and Means.



authority. Limits the period during which a county auditor may act on information that a taxpayer is ineligible for a standard property tax deduction to three years following the date on which the property taxes for a particular year are first due. Authorizes the provider unit in a fire protection territory to negotiate for and hold debt for the equipment replacement fund of a fire protection territory. Authorizes a participating unit in a fire protection territory to acquire fire protection equipment or other property and make the property available to the provider unit. Specifies the adjustments to the maximum permissible levy for a unit that ceases participation in a fire protection territory. Specifies the minimum number of taxpayers that must object to the imposition or increase of a tax rate for an equipment replacement fund of a fire protection territory. Authorizes a library to issue library cards at no charge to college students who attend a college in the library district. Requires a library to prorate the cost of a library card that is valid for less than one year. Repeals a provision authorizing a county fiscal body to adopt an ordinance to allow local agencies to require a person applying for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit to submit a uniform property tax disclosure form with the person's application for the property tax exemption, property tax deduction, zoning change or zoning variance, building permit, or other locally issued license or permit.



Introduced

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. 1273

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 6-1.1-4-13.2, AS ADDED BY P.L.249-2015,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 13.2. Notwithstanding the provisions of this
4 chapter and any real property assessment guidelines of the department
5 of local government finance, for the property tax assessment of
6 agricultural land for the 2015 assessment date, the statewide
7 agricultural land base rate value per acre used to determine the value
8 of agricultural land is two thousand fifty dollars (\$2,050). For the 2016
9 assessment date and each assessment date thereafter, the statewide
10 agricultural land base rate value per acre is equal to:
11 (1) the base rate value for the immediately preceding assessment
12 date; multiplied by
13 (2) the assessed value growth quotient determined under
14 IC 6-1.1-18.5-2 in the **year immediately preceding the year**
15 including the assessment date.

2016

IN 1273—LS 6613/DI 113



1 This amount shall be substituted for any agricultural land base rate
 2 value included in the Real Property Assessment Guidelines or any
 3 other guidelines of the department of local government finance that
 4 apply for those assessment dates.

5 SECTION 2. IC 6-1.1-4-25, AS AMENDED BY P.L.111-2014,
 6 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2016]: Sec. 25. (a) Each township assessor and each county
 8 assessor shall keep the assessor's reassessment data and records current
 9 by securing the necessary field data and by making changes in the
 10 assessed value of real property as changes occur in the use of the real
 11 property. The township or county assessor's records shall at all times
 12 show the assessed value of real property in accordance with this
 13 chapter. The township assessor shall ensure that the county assessor
 14 has full access to the assessment records maintained by the township
 15 assessor.

16 (b) The township assessor (if any) in a county having a consolidated
 17 city, the county assessor if there are no township assessors in a county
 18 having a consolidated city, or the county assessor in every other county,
 19 shall:

20 (1) maintain an electronic data file of:

21 (A) the parcel characteristics and parcel assessments of all
 22 parcels; ~~and~~

23 (B) the personal property return characteristics and
 24 assessments by return; ~~and~~

25 **(C) the geographic information system characteristics of**
 26 **each parcel;**

27 for each township in the county as of each assessment date;

28 (2) maintain the electronic file in a form that formats the
 29 information in the file with the standard data, field, and record
 30 coding required and approved by:

31 (A) the legislative services agency; and

32 (B) the department of local government finance;

33 (3) transmit the data in the file with respect to the assessment date
 34 of each year before October 1 of a year ending before January 1,
 35 2016, and before September 1 of a year beginning after December
 36 31, 2015, to:

37 (A) the legislative services agency and ~~(B)~~ the department of
 38 local government finance, **for data described in subdivision**

39 **(1)(A) and (1)(B); and**

40 **(B) the geographic information office of the office of**
 41 **technology, for data described in subdivision (1)(C);**

42 in a manner that meets the data export and transmission



1 requirements in a standard format, as prescribed by the office of
 2 technology established by IC 4-13.1-2-1 and approved by the
 3 legislative services agency; and

4 (4) resubmit the data in the form and manner required under this
 5 subsection, upon request of the legislative services agency, ~~or~~ the
 6 department of local government finance, **or the geographic**
 7 **information office of the office of technology, as applicable**, if
 8 data previously submitted under this subsection does not comply
 9 with the requirements of this subsection, as determined by the
 10 legislative services agency, ~~or~~ the department of local government
 11 finance, **or the geographic information office of the office of**
 12 **technology, as applicable**.

13 An electronic data file maintained for a particular assessment date may
 14 not be overwritten with data for a subsequent assessment date until a
 15 copy of an electronic data file that preserves the data for the particular
 16 assessment date is archived in the manner prescribed by the office of
 17 technology established by IC 4-13.1-2-1 and approved by the
 18 legislative services agency.

19 SECTION 3. IC 6-1.1-11-3.8 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.8. (a) This section
 21 applies to real property that after December 31, 2003, is:

- 22 (1) exempt from property taxes:
 23 (A) under an application filed under this chapter; or
 24 (B) under:
 25 (i) IC 6-1.1-10-2; or
 26 (ii) IC 6-1.1-10-4; and
 27 (2) leased to an entity other than:
 28 (A) a nonprofit entity;
 29 (B) a governmental entity; or
 30 (C) an individual who leases a dwelling unit in:
 31 (i) a public housing project;
 32 (ii) a nursing facility referred to in IC 12-15-14;
 33 (iii) an assisted living facility; or
 34 (iv) an affordable housing development.

35 (b) After December 31, 2003, each lessor of real property shall
 36 notify the county assessor of the county in which the real property is
 37 located in writing of:

- 38 (1) the existence of the lease referred to in subsection (a)(2);
 39 (2) the term of that lease; and
 40 (3) the name and address of the lessee.

41 (c) Each county assessor shall annually notify the department of
 42 local government finance in writing of the information received by the



1 county assessor under subsection (b).

2 (d) The department of local government finance ~~shall~~ **may** adopt
3 rules to:

4 (1) establish when the notices under subsections (b) and (c) must
5 be given; and

6 (2) otherwise implement this section.

7 SECTION 4. IC 6-1.1-12-1, AS AMENDED BY P.L.81-2010,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 1. **(a) As used in this
10 section, "mortgage" has the meaning set forth in IC 26-1-9.1-102.**

11 ~~(a)~~ **(b)** Each year a person who is a resident of this state may receive
12 a deduction from the assessed value of:

13 (1) mortgaged real property, an installment loan financed mobile
14 home that is not assessed as real property, or an installment loan
15 financed manufactured home that is not assessed as real property,
16 with the mortgage or installment loan instrument recorded with
17 the county recorder's office, that the person owns;

18 (2) real property, a mobile home that is not assessed as real
19 property, or a manufactured home that is not assessed as real
20 property that the person is buying under a contract, with the
21 contract or a memorandum of the contract recorded in the county
22 recorder's office, which provides that the person is to pay the
23 property taxes on the real property, mobile home, or manufactured
24 home; or

25 (3) real property, a mobile home that is not assessed as real
26 property, or a manufactured home that the person owns or is
27 buying on a contract described in subdivision (2) on which the
28 person has a home equity line of credit that is recorded in the
29 county recorder's office.

30 ~~(b)~~ **(c)** Except as provided in section 40.5 of this chapter, the total
31 amount of the deduction which the person may receive under this
32 section for a particular year is:

33 (1) the balance of the mortgage or contract indebtedness
34 (including a home equity line of credit) on the assessment date of
35 that year;

36 (2) one-half (1/2) of the assessed value of the real property,
37 mobile home, or manufactured home; or

38 (3) three thousand dollars (\$3,000);

39 whichever is least.

40 ~~(c)~~ **(d)** A person who has sold real property, a mobile home not
41 assessed as real property, or a manufactured home not assessed as real
42 property to another person under a contract which provides that the



1 contract buyer is to pay the property taxes on the real property, mobile
 2 home, or manufactured home may not claim the deduction provided
 3 under this section with respect to that real property, mobile home, or
 4 manufactured home.

5 ~~(d)~~ (e) The person must:

- 6 (1) own the real property, mobile home, or manufactured home;
 7 or
 8 (2) be buying the real property, mobile home, or manufactured
 9 home under contract;

10 on the date the statement is filed under section 2 of this chapter.

11 SECTION 5. IC 6-1.1-12-14, AS AMENDED BY P.L.293-2013(ts),
 12 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 14. (a) Except as
 14 provided in subsection (c) and except as provided in section 40.5 of
 15 this chapter, an individual may have the sum of twelve thousand four
 16 hundred eighty dollars (\$12,480) deducted from the assessed value of
 17 the tangible property that the individual owns (or the real property,
 18 mobile home not assessed as real property, or manufactured home not
 19 assessed as real property that the individual is buying under a contract
 20 that provides that the individual is to pay property taxes on the real
 21 property, mobile home, or manufactured home if the contract or a
 22 memorandum of the contract is recorded in the county recorder's office)
 23 if:

- 24 (1) the individual served in the military or naval forces of the
 25 United States for at least ninety (90) days;
 26 (2) the individual received an honorable discharge;
 27 (3) the individual either:
 28 (A) has a total disability; or
 29 (B) is at least sixty-two (62) years old and has a disability of at
 30 least ten percent (10%);
 31 (4) the individual's disability is evidenced by:
 32 (A) a pension certificate or an award of compensation issued
 33 by the United States Department of Veterans Affairs; or
 34 (B) a certificate of eligibility issued to the individual by the
 35 Indiana department of veterans' affairs after the Indiana
 36 department of veterans' affairs has determined that the
 37 individual's disability qualifies the individual to receive a
 38 deduction under this section; and
 39 (5) the individual:
 40 (A) owns the real property, mobile home, or manufactured
 41 home; or
 42 (B) is buying the real property, mobile home, or manufactured



- 1 home under contract;
 2 on the date the statement required by section 15 of this chapter is
 3 filed.
- 4 (b) Except as provided in subsection (c), the surviving spouse of an
 5 individual may receive the deduction provided by this section if the
 6 individual satisfied the requirements of subsection (a)(1) through (a)(4)
 7 at the time of death and the surviving spouse satisfies the requirement
 8 of subsection (a)(5) at the time the deduction statement is filed. The
 9 surviving spouse is entitled to the deduction regardless of whether the
 10 property for which the deduction is claimed was owned by the
 11 deceased veteran or the surviving spouse before the deceased veteran's
 12 death.
- 13 (c) No one is entitled to the deduction provided by this section if the
 14 assessed value of the individual's ~~tangible property~~, **Indiana real**
 15 **property, Indiana mobile home not assessed as real property, and**
 16 **Indiana manufactured home not assessed as real property**, as
 17 shown by the tax duplicate, exceeds one hundred forty-three thousand
 18 one hundred sixty dollars (\$143,160).
- 19 (d) An individual who has sold real property, a mobile home not
 20 assessed as real property, or a manufactured home not assessed as real
 21 property to another person under a contract that provides that the
 22 contract buyer is to pay the property taxes on the real property, mobile
 23 home, or manufactured home may not claim the deduction provided
 24 under this section against that real property, mobile home, or
 25 manufactured home.
- 26 SECTION 6. IC 6-1.1-12-37, AS AMENDED BY P.L.148-2015,
 27 SECTION 7, AS AMENDED BY P.L.207-2015, SECTION 1, AND
 28 AS AMENDED BY P.L.245-2015, SECTION 6, IS CORRECTED
 29 AND AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2017]: Sec. 37. (a) The following definitions apply
 31 throughout this section:
- 32 (1) "Dwelling" means any of the following:
- 33 (A) Residential real property improvements that an individual
 34 uses as the individual's residence, including a house or garage.
 35 (B) A mobile home that is not assessed as real property that an
 36 individual uses as the individual's residence.
 37 (C) A manufactured home that is not assessed as real property
 38 that an individual uses as the individual's residence.
- 39 (2) "Homestead" means an individual's principal place of
 40 residence:
- 41 (A) that is located in Indiana;
 42 (B) that:



- 1 (i) the individual owns;
 2 (ii) the individual is buying under a contract; recorded in the
 3 county recorder's office, that provides that the individual is
 4 to pay the property taxes on the residence, *and that obligates*
 5 *the owner to convey title to the individual upon completion*
 6 *of all of the individual's contract obligations;*
 7 (iii) the individual is entitled to occupy as a
 8 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 9 cooperative housing corporation (as defined in 26 U.S.C.
 10 216); or
 11 (iv) is a residence described in section 17.9 of this chapter
 12 that is owned by a trust if the individual is an individual
 13 described in section 17.9 of this chapter; and
 14 (C) that consists of a dwelling and the real estate, not
 15 exceeding one (1) acre, that immediately surrounds that
 16 dwelling.

17 Except as provided in subsection (k), the term does not include
 18 property owned by a corporation, partnership, limited liability
 19 company, or other entity not described in this subdivision.

20 (b) Each year a homestead is eligible for a standard deduction from
 21 the assessed value of the homestead for an assessment date. Except as
 22 provided in subsection (p), the deduction provided by this section
 23 applies to property taxes first due and payable for an assessment date
 24 only if an individual has an interest in the homestead described in
 25 subsection (a)(2)(B) on:

- 26 (1) the assessment date; or
 27 (2) any date in the same year after an assessment date that a
 28 statement is filed under subsection (e) or section 44 of this
 29 chapter, if the property consists of real property.

30 *If more than one (1) individual or entity qualifies property as a*
 31 *homestead under subsection (a)(2)(B) for an assessment date, only one*
 32 *(1) standard deduction from the assessed value of the homestead may*
 33 *be applied for the assessment date.* Subject to subsection (c), the
 34 auditor of the county shall record and make the deduction for the
 35 individual or entity qualifying for the deduction.

36 (c) Except as provided in section 40.5 of this chapter, the total
 37 amount of the deduction that a person may receive under this section
 38 for a particular year is the lesser of:

- 39 (1) sixty percent (60%) of the assessed value of the real property,
 40 mobile home not assessed as real property, or manufactured home
 41 not assessed as real property; or
 42 (2) forty-five thousand dollars (\$45,000).



1 (d) A person who has sold real property, a mobile home not assessed
 2 as real property, or a manufactured home not assessed as real property
 3 to another person under a contract that provides that the contract buyer
 4 is to pay the property taxes on the real property, mobile home, or
 5 manufactured home may not claim the deduction provided under this
 6 section with respect to that real property, mobile home, or
 7 manufactured home.

8 (e) Except as provided in sections 17.8 and 44 of this chapter and
 9 subject to section 45 of this chapter, an individual who desires to claim
 10 the deduction provided by this section must file a certified statement,
 11 ~~in duplicate~~, on forms prescribed by the department of local
 12 government finance, with the auditor of the county in which the
 13 homestead is located. The statement must include:

14 (1) the parcel number or key number of the property and the name
 15 of the city, town, or township in which the property is located;

16 (2) the name of any other location in which the applicant or the
 17 applicant's spouse owns, is buying, or has a beneficial interest in
 18 residential real property;

19 (3) the names of:

20 (A) the applicant and the applicant's spouse (if any):

21 (i) as the names appear in the records of the United States
 22 Social Security Administration for the purposes of the
 23 issuance of a Social Security card and Social Security
 24 number; or

25 (ii) that they use as their legal names when they sign their
 26 names on legal documents;

27 if the applicant is an individual; or

28 (B) each individual who qualifies property as a homestead
 29 under subsection (a)(2)(B) and the individual's spouse (if any):

30 (i) as the names appear in the records of the United States
 31 Social Security Administration for the purposes of the
 32 issuance of a Social Security card and Social Security
 33 number; or

34 (ii) that they use as their legal names when they sign their
 35 names on legal documents;

36 if the applicant is not an individual; and

37 (4) either:

38 (A) the last five (5) digits of the applicant's Social Security
 39 number and the last five (5) digits of the Social Security
 40 number of the applicant's spouse (if any); or

41 (B) if the applicant or the applicant's spouse (if any) does not
 42 have a Social Security number, any of the following for that



- 1 individual:
- 2 (i) The last five (5) digits of the individual's driver's license
- 3 number.
- 4 (ii) The last five (5) digits of the individual's state
- 5 identification card number.
- 6 (iii) If the individual does not have a driver's license or a
- 7 state identification card, the last five (5) digits of a control
- 8 number that is on a document issued to the individual by the
- 9 *federal United States government and determined by the*
- 10 *department of local government finance to be acceptable.*
- 11 If a form or statement provided to the county auditor under this section,
- 12 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
- 13 part or all of the Social Security number of a party or other number
- 14 described in subdivision (4)(B) of a party, the telephone number and
- 15 the Social Security number or other number described in subdivision
- 16 (4)(B) included are confidential. The statement may be filed in person
- 17 or by mail. If the statement is mailed, the mailing must be postmarked
- 18 on or before the last day for filing. The statement applies for that first
- 19 year and any succeeding year for which the deduction is allowed. With
- 20 respect to real property, the statement must be completed and dated in
- 21 the calendar year for which the person desires to obtain the deduction
- 22 and filed with the county auditor on or before January 5 of the
- 23 immediately succeeding calendar year. With respect to a mobile home
- 24 that is not assessed as real property, the person must file the statement
- 25 during the twelve (12) months before March 31 of the year for which
- 26 the person desires to obtain the deduction.
- 27 (f) If an individual who is receiving the deduction provided by this
- 28 section or who otherwise qualifies property for a deduction under this
- 29 section:
- 30 (1) changes the use of the individual's property so that part or all
- 31 of the property no longer qualifies for the deduction under this
- 32 section; or
- 33 (2) is no longer eligible for a deduction under this section on
- 34 another parcel of property because:
- 35 (A) the individual would otherwise receive the benefit of more
- 36 than one (1) deduction under this chapter; or
- 37 (B) the individual maintains the individual's principal place of
- 38 residence with another individual who receives a deduction
- 39 under this section;
- 40 the individual must file a certified statement with the auditor of the
- 41 county, notifying the auditor of the change of use, not more than sixty
- 42 (60) days after the date of that change. An individual who fails to file



1 the statement required by this subsection ~~is~~ **may, under**
 2 **IC 6-1.1-36-17, be** liable for any additional taxes that would have been
 3 due on the property if the individual had filed the statement as required
 4 by this subsection plus a civil penalty equal to ten percent (10%) of the
 5 additional taxes due. The civil penalty imposed under this subsection
 6 is in addition to any interest and penalties for a delinquent payment that
 7 might otherwise be due. One percent (1%) of the total civil penalty
 8 collected under this subsection shall be transferred by the county to the
 9 department of local government finance for use by the department in
 10 establishing and maintaining the homestead property data base under
 11 subsection (i) and, to the extent there is money remaining, for any other
 12 purposes of the department. This amount becomes part of the property
 13 tax liability for purposes of this article.

14 (g) The department of local government finance ~~may shall~~ adopt
 15 rules or guidelines concerning the application for a deduction under
 16 this section.

17 (h) This subsection does not apply to property in the first year for
 18 which a deduction is claimed under this section if the sole reason that
 19 a deduction is claimed on other property is that the individual or
 20 married couple maintained a principal residence at the other property
 21 on ~~March~~ *the assessment date* in the same year in which an
 22 application for a deduction is filed under this section or, if the
 23 application is for a homestead that is assessed as personal property, on
 24 ~~March~~ *the assessment date* in the immediately preceding year and the
 25 individual or married couple is moving the individual's or married
 26 couple's principal residence to the property that is the subject of the
 27 application. Except as provided in subsection (n), the county auditor
 28 may not grant an individual or a married couple a deduction under this
 29 section if:

30 (1) the individual or married couple, for the same year, claims the
 31 deduction on two (2) or more different applications for the
 32 deduction; and

33 (2) the applications claim the deduction for different property.

34 (i) The department of local government finance shall provide secure
 35 access to county auditors to a homestead property data base that
 36 includes access to the homestead owner's name and the numbers
 37 required from the homestead owner under subsection (e)(4) for the sole
 38 purpose of verifying whether an owner is wrongly claiming a deduction
 39 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 40 ~~IC 6-3.5.~~ **IC 6-3.6-5.**

41 (j) A county auditor may require an individual to provide evidence
 42 proving that the individual's residence is the individual's principal place



1 of residence as claimed in the certified statement filed under subsection
 2 (e). The county auditor may limit the evidence that an individual is
 3 required to submit to a state income tax return, a valid driver's license,
 4 or a valid voter registration card showing that the residence for which
 5 the deduction is claimed is the individual's principal place of residence.
 6 The department of local government finance shall work with county
 7 auditors to develop procedures to determine whether a property owner
 8 that is claiming a standard deduction or homestead credit is not eligible
 9 for the standard deduction or homestead credit because the property
 10 owner's principal place of residence is outside Indiana.

11 (k) As used in this section, "homestead" includes property that
 12 satisfies each of the following requirements:

13 (1) The property is located in Indiana and consists of a dwelling
 14 and the real estate, not exceeding one (1) acre, that immediately
 15 surrounds that dwelling.

16 (2) The property is the principal place of residence of an
 17 individual.

18 (3) The property is owned by an entity that is not described in
 19 subsection (a)(2)(B).

20 (4) The individual residing on the property is a shareholder,
 21 partner, or member of the entity that owns the property.

22 (5) The property was eligible for the standard deduction under
 23 this section on March 1, 2009.

24 (l) If a county auditor terminates a deduction for property described
 25 in subsection (k) with respect to property taxes that are:

26 (1) imposed for an assessment date in 2009; and

27 (2) first due and payable in 2010;

28 on the grounds that the property is not owned by an entity described in
 29 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 30 the taxpayer provides proof that the property is eligible for the
 31 deduction in accordance with subsection (k) and that the individual
 32 residing on the property is not claiming the deduction for any other
 33 property.

34 (m) For assessment dates after 2009, the term "homestead" includes:

35 (1) a deck or patio;

36 (2) a gazebo; or

37 (3) another residential yard structure, as defined in rules *that may*
 38 *be* adopted by the department of local government finance (other
 39 than a swimming pool);

40 that is assessed as real property and attached to the dwelling.

41 (n) A county auditor shall grant an individual a deduction under this
 42 section regardless of whether the individual and the individual's spouse



1 claim a deduction on two (2) different applications and each
 2 application claims a deduction for different property if the property
 3 owned by the individual's spouse is located outside Indiana and the
 4 individual files an affidavit with the county auditor containing the
 5 following information:

6 (1) The names of the county and state in which the individual's
 7 spouse claims a deduction substantially similar to the deduction
 8 allowed by this section.

9 (2) A statement made under penalty of perjury that the following
 10 are true:

11 (A) That the individual and the individual's spouse maintain
 12 separate principal places of residence.

13 (B) That neither the individual nor the individual's spouse has
 14 an ownership interest in the other's principal place of
 15 residence.

16 (C) That neither the individual nor the individual's spouse has,
 17 for that same year, claimed a standard or substantially similar
 18 deduction for any property other than the property maintained
 19 as a principal place of residence by the respective individuals.

20 A county auditor may require an individual or an individual's spouse to
 21 provide evidence of the accuracy of the information contained in an
 22 affidavit submitted under this subsection. The evidence required of the
 23 individual or the individual's spouse may include state income tax
 24 returns, excise tax payment information, property tax payment
 25 information, driver license information, and voter registration
 26 information.

27 (o) If:

28 (1) a property owner files a statement under subsection (e) to
 29 claim the deduction provided by this section for a particular
 30 property; and

31 (2) the county auditor receiving the filed statement determines
 32 that the property owner's property is not eligible for the deduction;
 33 the county auditor shall inform the property owner of the county
 34 auditor's determination in writing. If a property owner's property is not
 35 eligible for the deduction because the county auditor has determined
 36 that the property is not the property owner's principal place of
 37 residence, the property owner may appeal the county auditor's
 38 determination to the county property tax assessment board of appeals
 39 as provided in IC 6-1.1-15. The county auditor shall inform the
 40 property owner of the owner's right to appeal to the county property tax
 41 assessment board of appeals when the county auditor informs the
 42 property owner of the county auditor's determination under this



- 1 subsection.
- 2 (p) An individual is entitled to the deduction under this section for
- 3 a homestead for a particular assessment date if:
- 4 (1) either:
- 5 (A) the individual's interest in the homestead as described in
- 6 subsection (a)(2)(B) is conveyed to the individual after the
- 7 assessment date, but within the calendar year in which the
- 8 assessment date occurs; or
- 9 (B) the individual contracts to purchase the homestead after
- 10 the assessment date, but within the calendar year in which the
- 11 assessment date occurs;
- 12 (2) on the assessment date:
- 13 (A) the property on which the homestead is currently located
- 14 was vacant land; or
- 15 (B) the construction of the dwelling that constitutes the
- 16 homestead was not completed; **and**
- 17 (3) either:
- 18 (A) the individual files the certified statement required by
- 19 subsection (e); ~~on or before December 31 of the calendar year~~
- 20 ~~in which the assessment date occurs to claim the deduction~~
- 21 ~~under this section;~~ or
- 22 (B) a sales disclosure form that meets the requirements of
- 23 section 44 of this chapter is submitted to the county assessor
- 24 on or before December 31 of the calendar year for the
- 25 individual's purchase of the homestead. ~~and~~
- 26 ~~(4) the individual files with the county auditor on or before~~
- 27 ~~December 31 of the calendar year in which the assessment date~~
- 28 ~~occurs a statement that:~~
- 29 ~~(A) lists any other property for which the individual would~~
- 30 ~~otherwise receive a deduction under this section for the~~
- 31 ~~assessment date; and~~
- 32 ~~(B) cancels the deduction described in clause (A) for that~~
- 33 ~~property.~~
- 34 An individual who satisfies the requirements of subdivisions (1)
- 35 through ~~(4)~~ (3) is entitled to the deduction under this section for the
- 36 homestead for the assessment date, even if on the assessment date the
- 37 property on which the homestead is currently located was vacant land
- 38 or the construction of the dwelling that constitutes the homestead was
- 39 not completed. The county auditor shall apply the deduction for the
- 40 assessment date and for the assessment date in any later year in which
- 41 the homestead remains eligible for the deduction. A homestead that
- 42 qualifies for the deduction under this section as provided in this



1 subsection is considered a homestead for purposes of section 37.5 of
 2 this chapter and IC 6-1.1-20.6. *The county auditor shall cancel the*
 3 *deduction under this section for any property that is located in the*
 4 *county and is listed on the statement filed by the individual under*
 5 *subdivision (4). If the property listed on the statement filed under*
 6 *subdivision (4) is located in another county, the county auditor who*
 7 *receives the statement shall forward the statement to the county*
 8 *auditor of that other county, and the county auditor of that other*
 9 *county shall cancel the deduction under this section for that property.*

10 (q) This subsection applies to an application for the deduction
 11 provided by this section that is filed for an assessment date occurring
 12 after December 31, 2013. Notwithstanding any other provision of this
 13 section, an individual buying a mobile home that is not assessed as real
 14 property or a manufactured home that is not assessed as real property
 15 under a contract providing that the individual is to pay the property
 16 taxes on the mobile home or manufactured home is not entitled to the
 17 deduction provided by this section unless the parties to the contract
 18 comply with IC 9-17-6-17.

19 (r) This subsection:

20 (1) applies to an application for the deduction provided by this
 21 section that is filed for an assessment date occurring after
 22 December 31, 2013; and

23 (2) does not apply to an individual described in subsection (q).

24 The owner of a mobile home that is not assessed as real property or a
 25 manufactured home that is not assessed as real property must attach a
 26 copy of the owner's title to the mobile home or manufactured home to
 27 the application for the deduction provided by this section.

28 (s) For assessment dates after 2013, the term "homestead" includes
 29 property that is owned by an individual who:

30 (1) is serving on active duty in any branch of the armed forces of
 31 the United States;

32 (2) was ordered to transfer to a location outside Indiana; and

33 (3) was otherwise eligible, without regard to this subsection, for
 34 the deduction under this section for the property for the
 35 assessment date immediately preceding the transfer date specified
 36 in the order described in subdivision (2).

37 For property to qualify under this subsection for the deduction provided
 38 by this section, the individual described in subdivisions (1) through (3)
 39 must submit to the county auditor a copy of the individual's transfer
 40 orders or other information sufficient to show that the individual was
 41 ordered to transfer to a location outside Indiana. The property continues
 42 to qualify for the deduction provided by this section until the individual



1 ceases to be on active duty, the property is sold, or the individual's
 2 ownership interest is otherwise terminated, whichever occurs first.
 3 Notwithstanding subsection (a)(2), the property remains a homestead
 4 regardless of whether the property continues to be the individual's
 5 principal place of residence after the individual transfers to a location
 6 outside Indiana. However, the property ceases to qualify as a
 7 homestead under this subsection if the property is leased while the
 8 individual is away from Indiana. Property that qualifies as a homestead
 9 under this subsection shall also be construed as a homestead for
 10 purposes of section 37.5 of this chapter.

11 SECTION 7. IC 6-1.1-12.1-5, AS AMENDED BY P.L.288-2013,
 12 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2016]: Sec. 5. (a) A property owner who desires to obtain the
 14 deduction provided by section 3 of this chapter must file a certified
 15 deduction application, on forms prescribed by the department of local
 16 government finance, with the auditor of the county in which the
 17 property is located. Except as otherwise provided in subsection (b) or
 18 (e), the deduction application must be filed before May 10 of the year
 19 in which the addition to assessed valuation is made.

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

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

- 28 (1) The name of the property owner.
- 29 (2) A description of the property for which a deduction is claimed
 30 in sufficient detail to afford identification.
- 31 (3) The assessed value of the improvements before rehabilitation.
- 32 (4) The increase in the assessed value of improvements resulting
 33 from the rehabilitation.
- 34 (5) The assessed value of the new structure in the case of
 35 redevelopment.
- 36 (6) The amount of the deduction claimed for the first year of the
 37 deduction.
- 38 (7) If the deduction application is for a deduction in a
 39 residentially distressed area, the assessed value of the
 40 improvement or new structure for which the deduction is claimed.

41 (d) A deduction application filed under subsection (a) or (b) is
 42 applicable for the year in which the addition to assessed value or



1 assessment of a new structure is made and in the following years the
 2 deduction is allowed without any additional deduction application
 3 being filed.

4 (e) A property owner who desires to obtain the deduction provided
 5 by section 3 of this chapter but who has failed to file a deduction
 6 application within the dates prescribed in subsection (a) or (b) may file
 7 a deduction application between ~~March~~ **January** 1 and May 10 of a
 8 subsequent year which shall be applicable for the year filed and the
 9 subsequent years without any additional deduction application being
 10 filed for the amounts of the deduction which would be applicable to
 11 such years pursuant to section 4 of this chapter if such a deduction
 12 application had been filed in accordance with subsection (a) or (b).

13 (f) Subject to subsection (i), the county auditor shall act as follows:

14 (1) If:

15 (A) a determination about the number of years the deduction
 16 is allowed has been made in the resolution adopted under
 17 section 2.5 of this chapter; **and**

18 **(B) an abatement schedule has been established under**
 19 **section 17 of this chapter;**

20 the county auditor shall make the appropriate deduction.

21 (2) If:

22 (A) a determination about the number of years the deduction
 23 is allowed has not been made in the resolution adopted under
 24 section 2.5 of this chapter; **or**

25 **(B) an abatement schedule has not been established under**
 26 **section 17 of this chapter;**

27 the county auditor shall send a copy of the deduction application
 28 to the designating body. Upon receipt of the resolution stating the
 29 number of years the deduction will be allowed **or establishing**
 30 **the abatement schedule, as applicable**, the county auditor shall
 31 make the appropriate deduction.

32 (3) If the deduction application is for rehabilitation or
 33 redevelopment in a residentially distressed area, the county
 34 auditor shall make the appropriate deduction.

35 (g) The amount and period of the deduction provided for property
 36 by section 3 of this chapter are not affected by a change in the
 37 ownership of the property if the new owner of the property:

38 (1) continues to use the property in compliance with any
 39 standards established under section 2(g) of this chapter; and

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

41 (h) The township or county assessor shall include a notice of the
 42 deadlines for filing a deduction application under subsections (a) and



1 (b) with each notice to a property owner of an addition to assessed
2 value or of a new assessment.

3 (i) Before the county auditor acts under subsection (f), the county
4 auditor may request that the township assessor of the township in
5 which the property is located, or the county assessor if there is no
6 township assessor for the township, review the deduction application.

7 (j) A property owner may appeal a determination of the county
8 auditor under subsection (f) to deny or alter the amount of the
9 deduction by requesting in writing a preliminary conference with the
10 county auditor not more than forty-five (45) days after the county
11 auditor gives the person notice of the determination. An appeal
12 initiated under this subsection is processed and determined in the same
13 manner that an appeal is processed and determined under IC 6-1.1-15.

14 SECTION 8. IC 6-1.1-12.1-5.3, AS AMENDED BY P.L.146-2008,
15 SECTION 125, IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]: Sec. 5.3. (a) A
17 property owner that desires to obtain the deduction provided by section
18 4.8 of this chapter must file a deduction application, on forms
19 prescribed by the department of local government finance, with the
20 auditor of the county in which the eligible vacant building is located.
21 Except as otherwise provided in this section, the deduction application
22 must be filed before May 10 of the year in which the property owner or
23 a tenant of the property owner initially occupies the eligible vacant
24 building.

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

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

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

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

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

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

40 (d) A deduction application filed under this section applies to the
41 year in which the property owner or a tenant of the property owner
42 occupies the eligible vacant building and in the following year if the



1 deduction is allowed for a two (2) year period, without an additional
2 deduction application being filed.

3 (e) A property owner that desires to obtain the deduction provided
4 by section 4.8 of this chapter but that did not file a deduction
5 application within the dates prescribed in subsection (a) or (b) may file
6 a deduction application between ~~March~~ **January** 1 and May 10 of a
7 subsequent year. A deduction application filed under this subsection
8 applies to the year in which the deduction application is filed and the
9 following year if the deduction is allowed for a two (2) year period,
10 without an additional deduction application being filed. The amount of
11 the deduction under this subsection is the amount that would have been
12 applicable to the year under section 4.8 of this chapter if the deduction
13 application had been filed in accordance with subsection (a) or (b).

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

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

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

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

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

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

35 (h) Before the county auditor acts under subsection (f), the county
36 auditor may request that the township assessor of the township in
37 which the eligible vacant building is located, or the county assessor if
38 there is no township assessor for the township, review the deduction
39 application.

40 (i) A property owner may appeal a determination of the county
41 auditor under subsection (f) by requesting in writing a preliminary
42 conference with the county auditor not more than forty-five (45) days



1 after the county auditor gives the property owner notice of the
 2 determination. An appeal under this subsection shall be processed and
 3 determined in the same manner that an appeal is processed and
 4 determined under IC 6-1.1-15.

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

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

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

17 (k) The following information is a public record if filed under this
 18 section:

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

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

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

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

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

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

34 SECTION 9. IC 6-1.1-15-10.5, AS ADDED BY P.L.244-2015,
 35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2016]: Sec. 10.5. (a) The fiscal officer of a taxing unit may
 37 establish a separate fund known as the property tax assessment appeals
 38 fund to hold property tax receipts that are attributable to an increase in
 39 the taxing unit's tax rate caused by a reduction in the taxing unit's net
 40 assessed value under IC 6-1.1-17-0.5.

41 **(b) A taxing unit may transfer property tax receipts from a fund**
 42 **that is not a debt service fund to the taxing unit's property tax**



1 **assessment appeals fund. A taxing unit may not transfer property**
 2 **tax receipts from a debt service fund to the taxing unit's property**
 3 **tax assessment appeals fund.**

4 ~~(b)~~ **(c)** A taxing unit may use money in a ~~the~~ taxing unit's property
 5 tax assessment appeals fund ~~may be used~~ only to pay the following:

6 (1) Expenses incurred by a county assessor in defending appeals
 7 prosecuted under this chapter with respect to property located in
 8 the taxing unit.

9 (2) Refunds under section 11 of this chapter.

10 ~~(c)~~ **(d)** The balance in a taxing unit's property tax assessment
 11 appeals fund may not exceed five percent (5%) of the amount budgeted
 12 by the taxing unit for a particular year.

13 ~~(d)~~ **(e)** Money ~~deposited in~~ **transferred to** a taxing unit's property
 14 tax assessment appeals fund is not considered miscellaneous revenue.
 15 Both the taxing unit and the department of local government finance
 16 shall disregard any balance in the taxing unit's property tax assessment
 17 appeals fund in the determination of the taxing unit's property tax levy,
 18 property tax rate, and budget (except for appropriations for the
 19 purposes permitted by subsection ~~(b)~~ **(c)**) for a particular calendar
 20 year.

21 **(f) Property tax receipts that qualify as levy excess under**
 22 **IC 6-1.1-18.5-17 and IC 20-44-3 must be treated as levy excess and**
 23 **are not eligible for transfer to a taxing unit's property tax**
 24 **assessment appeals fund.**

25 SECTION 10. IC 6-1.1-18.5-7, AS AMENDED BY
 26 P.L.182-2009(ss), SECTION 126, IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]:
 28 Sec. 7. (a) A civil taxing unit is not subject to the levy limits imposed
 29 by section 3 of this chapter for an ensuing calendar year if the civil
 30 taxing unit did not adopt an ad valorem property tax levy for the
 31 immediately preceding calendar year.

32 (b) If under subsection (a) a civil taxing unit is not subject to the
 33 levy limits imposed under section 3 of this chapter for a calendar year,
 34 the civil taxing unit shall refer its proposed budget, ad valorem
 35 property tax levy, and property tax rate for that calendar year to the
 36 department of local government finance. The department of local
 37 government finance shall make a final determination of the civil taxing
 38 unit's budget, ad valorem property tax levy, and property tax rate for
 39 that calendar year. However, a civil taxing unit may not impose a
 40 property tax levy for a year if the unit did not exist as of ~~March~~
 41 **January** 1 of the preceding year.

42 SECTION 11. IC 6-1.1-18.5-8.1 IS REPEALED [EFFECTIVE



1 JULY 1, 2016]. Sec. 8.1: (a) This section applies to a township that is
 2 allowed an increase in its maximum permissible ad valorem property
 3 tax levy under section 13(c) of this chapter for property taxes first due
 4 and payable in 2014:

5 (b) The property tax levy limit imposed under section 3 of this
 6 chapter on the township may be exceeded in calendar years 2014;
 7 2015; and 2016 by:

8 (1) the amount of ad valorem property taxes imposed by the
 9 township to repay money borrowed under IC 36-6-6-14(f); or

10 (2) the amount of ad valorem property taxes imposed by the
 11 township to repay money borrowed under IC 36-6-6-14(b) in
 12 2012 or 2013;

13 but not both:

14 (c) For purposes of computing the ad valorem property tax levy limit
 15 imposed on a township under section 3 of this chapter, the township's
 16 ad valorem property tax levy for a particular calendar year does not
 17 include that part of the levy imposed to repay money borrowed under
 18 IC 36-6-6-14(f).

19 SECTION 12. IC 6-1.1-18.5-13, AS AMENDED BY P.L.245-2015,
 20 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2016]: Sec. 13. (a) With respect to an appeal filed under
 22 section 12 of this chapter, the department may find that a civil taxing
 23 unit should receive any one (1) or more of the following types of relief:

24 (1) Permission to the civil taxing unit to increase its levy in excess
 25 of the limitations established under section 3 of this chapter, if in
 26 the judgment of the department the increase is reasonably
 27 necessary due to increased costs of the civil taxing unit resulting
 28 from annexation, consolidation, or other extensions of
 29 governmental services by the civil taxing unit to additional
 30 geographic areas. ~~or persons:~~ With respect to annexation,
 31 consolidation, or other extensions of governmental services in a
 32 calendar year, if those increased costs are incurred by the civil
 33 taxing unit in that calendar year and more than one (1)
 34 immediately succeeding calendar year, the unit may appeal under
 35 section 12 of this chapter for permission to increase its levy under
 36 this subdivision based on those increased costs in any of the
 37 following:

38 (A) The first calendar year in which those costs are incurred.

39 (B) One (1) or more of the immediately succeeding four (4)
 40 calendar years.

41 (2) ~~A levy increase may not be granted under this subdivision for~~
 42 ~~property taxes first due and payable after December 31, 2008:~~



1 Permission to the civil taxing unit to increase its levy in excess of
 2 the limitations established under section 3 of this chapter, if the
 3 local government tax control board finds that the civil taxing unit
 4 needs the increase to meet the civil taxing unit's share of the costs
 5 of operating a court established by statute enacted after December
 6 31, 1973. Before recommending such an increase, the local
 7 government tax control board shall consider all other revenues
 8 available to the civil taxing unit that could be applied for that
 9 purpose. The maximum aggregate levy increases that the local
 10 government tax control board may recommend for a particular
 11 court equals the civil taxing unit's estimate of the unit's share of
 12 the costs of operating a court for the first full calendar year in
 13 which it is in existence. For purposes of this subdivision, costs of
 14 operating a court include:

- 15 (A) the cost of personal services (including fringe benefits);
- 16 (B) the cost of supplies; and
- 17 (C) any other cost directly related to the operation of the court.

18 ~~(3)~~ **(2)** Permission to the civil taxing unit to increase its levy in
 19 excess of the limitations established under section 3 of this
 20 chapter, if the department finds that the quotient determined
 21 under STEP SIX of the following formula is equal to or greater
 22 than one and two-hundredths (1.02):

23 STEP ONE: Determine the three (3) calendar years that most
 24 immediately precede the ensuing calendar year and in which
 25 a statewide general reassessment of real property under
 26 IC 6-1.1-4-4 does not first become effective.

27 STEP TWO: Compute separately, for each of the calendar
 28 years determined in STEP ONE, the quotient (rounded to the
 29 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 30 unit's total assessed value of all taxable property and:

- 31 (i) for a particular calendar year before 2007, the total
 32 assessed value of property tax deductions in the unit under
 33 IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular
 34 calendar year; or
- 35 (ii) for a particular calendar year after 2006, the total
 36 assessed value of property tax deductions that applied in the
 37 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 38 calendar year after 2009, the total assessed value of property
 39 tax deductions that applied in the unit under
 40 IC 6-1.1-12-37.5 in 2008;

41 divided by the sum determined under this STEP for the
 42 calendar year immediately preceding the particular calendar



1 year.

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

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

8 (i) for a particular calendar year before 2007, the total
9 assessed value of property tax deductions in all counties
10 under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the
11 particular calendar year; or

12 (ii) for a particular calendar year after 2006, the total
13 assessed value of property tax deductions that applied in all
14 counties under IC 6-1.1-12-42 in 2006 plus for a particular
15 calendar year after 2009, the total assessed value of property
16 tax deductions that applied in the unit under
17 IC 6-1.1-12-37.5 in 2008;

18 divided by the sum determined under this STEP for the
19 calendar year immediately preceding the particular calendar
20 year.

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

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

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

31 ~~(4) A levy increase may not be granted under this subdivision for~~
32 ~~property taxes first due and payable after December 31, 2008.~~
33 ~~Permission to the civil taxing unit to increase its levy in excess of~~
34 ~~the limitations established under section 3 of this chapter, if the~~
35 ~~local government tax control board finds that the civil taxing unit~~
36 ~~needs the increase to pay the costs of furnishing fire protection for~~
37 ~~the civil taxing unit through a volunteer fire department. For~~
38 ~~purposes of determining a township's need for an increased levy,~~
39 ~~the local government tax control board shall not consider the~~
40 ~~amount of money borrowed under IC 36-6-6-14 during the~~
41 ~~immediately preceding calendar year. However, any increase in~~
42 ~~the amount of the civil taxing unit's levy recommended by the~~



1 local government tax control board under this subdivision for the
2 ensuing calendar year may not exceed the lesser of:

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

4 (B) twenty percent (20%) of:

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

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

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

15 (5) A levy increase may not be granted under this subdivision for
16 property taxes first due and payable after December 31, 2008.
17 Permission to a civil taxing unit to increase its levy in excess of
18 the limitations established under section 3 of this chapter in order
19 to raise revenues for pension payments and contributions the civil
20 taxing unit is required to make under IC 36-8. The maximum
21 increase in a civil taxing unit's levy that may be recommended
22 under this subdivision for an ensuing calendar year equals the
23 amount, if any, by which the pension payments and contributions
24 the civil taxing unit is required to make under IC 36-8 during the
25 ensuing calendar year exceeds the product of one and one-tenth
26 (1.1) multiplied by the pension payments and contributions made
27 by the civil taxing unit under IC 36-8 during the calendar year that
28 immediately precedes the ensuing calendar year. For purposes of
29 this subdivision, "pension payments and contributions made by a
30 civil taxing unit" does not include that part of the payments or
31 contributions that are funded by distributions made to a civil
32 taxing unit by the state.

33 (6) A levy increase may not be granted under this subdivision for
34 property taxes first due and payable after December 31, 2008.
35 Permission to increase its levy in excess of the limitations
36 established under section 3 of this chapter if the local government
37 tax control board finds that:

38 (A) the township's township assistance ad valorem property
39 tax rate is less than one and sixty-seven hundredths cents
40 (\$0.0167) per one hundred dollars (\$100) of assessed
41 valuation; and

42 (B) the township needs the increase to meet the costs of



1 providing township assistance under IC 12-20 and IC 12-30-4.
 2 The maximum increase that the board may recommend for a
 3 township is the levy that would result from an increase in the
 4 township's township assistance ad valorem property tax rate of
 5 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 6 dollars (\$100) of assessed valuation minus the township's ad
 7 valorem property tax rate per one hundred dollars (\$100) of
 8 assessed valuation before the increase.

9 (7) A levy increase may not be granted under this subdivision for
 10 property taxes first due and payable after December 31, 2008.
 11 Permission to a civil taxing unit to increase its levy in excess of
 12 the limitations established under section 3 of this chapter if:

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

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

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

28 (8) A levy increase may not be granted under this subdivision for
 29 property taxes first due and payable after December 31, 2008.
 30 Permission to a civil taxing unit to increase the unit's levy in
 31 excess of the limitations established under section 3 of this
 32 chapter if the local government tax control board finds that:

33 (A) the civil taxing unit is:

34 (i) a county having a population of more than one hundred
 35 seventy thousand (170,000) but less than one hundred
 36 seventy-five thousand (175,000);

37 (ii) a city having a population of more than sixty-five
 38 thousand (65,000) but less than seventy thousand (70,000);

39 (iii) a city having a population of more than twenty-nine
 40 thousand five hundred (29,500) but less than twenty-nine
 41 thousand six hundred (29,600);

42 (iv) a city having a population of more than thirteen



1 thousand four hundred fifty (13,450) but less than thirteen
2 thousand five hundred (13,500); or

3 (v) a city having a population of more than eight thousand
4 seven hundred (8,700) but less than nine thousand (9,000);
5 and

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

12 The maximum increase that the local government tax control
13 board may recommend for such a civil taxing unit is the levy that
14 would result from a property tax rate of six and sixty-seven
15 hundredths cents (\$.0667) for each one hundred dollars (\$100)
16 of assessed valuation. For purposes of computing the ad valorem
17 property tax levy limit imposed on a civil taxing unit under
18 section 3 of this chapter, the civil taxing unit's ad valorem
19 property tax levy for a particular year does not include that part of
20 the levy imposed under this subdivision. In addition, a property
21 tax increase permitted under this subdivision may be imposed for
22 only two (2) calendar years.

23 (9) A levy increase may not be granted under this subdivision for
24 property taxes first due and payable after December 31, 2008.
25 Permission for a county:

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

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

- 36 (i) was issued by a federal district court; and
- 37 (ii) has not been terminated;

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

- 39 (i) American Correctional Association Jail Construction
40 Standards; and
- 41 (ii) Indiana jail operation standards adopted by the
42 department of correction; or



- 1 (D) that operates a juvenile detention center that fails to meet
 2 standards equivalent to the standards described in clause (C)
 3 for the operation of juvenile detention centers:
 4 Before recommending an increase, the local government tax
 5 control board shall consider all other revenues available to the
 6 county that could be applied for that purpose. An appeal for
 7 operating funds for a jail or a juvenile detention center shall be
 8 considered individually; if a jail and juvenile detention center are
 9 both opened in one (1) county. The maximum aggregate levy
 10 increases that the local government tax control board may
 11 recommend for a county equals the county's share of the costs of
 12 operating the jail or a juvenile detention center for the first full
 13 calendar year in which the jail or juvenile detention center is in
 14 operation.
 15 (10) A levy increase may not be granted under this subdivision for
 16 property taxes first due and payable after December 31, 2008.
 17 Permission for a township to increase its levy in excess of the
 18 limitations established under section 3 of this chapter, if the local
 19 government tax control board finds that the township needs the
 20 increase so that the property tax rate to pay the costs of furnishing
 21 fire protection for a township, or a portion of a township, enables
 22 the township to pay a fair and reasonable amount under a contract
 23 with the municipality that is furnishing the fire protection.
 24 However, for the first time an appeal is granted the resulting rate
 25 increase may not exceed fifty percent (50%) of the difference
 26 between the rate imposed for fire protection within the
 27 municipality that is providing the fire protection to the township
 28 and the township's rate. A township is required to appeal a second
 29 time for an increase under this subdivision if the township wants
 30 to further increase its rate. However, a township's rate may be
 31 increased to equal but may not exceed the rate that is used by the
 32 municipality. More than one (1) township served by the same
 33 municipality may use this appeal.
 34 (11) Permission to a city having a population of more than
 35 thirty-one thousand five hundred (31,500) but less than thirty-one
 36 thousand seven hundred twenty-five (31,725) to increase its levy
 37 in excess of the limitations established under section 3 of this
 38 chapter if:
 39 (A) an appeal was granted to the city under this section to
 40 reallocate property tax replacement credits under IC 6-3.5-1.1
 41 in 1998, 1999, and 2000; and
 42 (B) the increase has been approved by the legislative body of



- 1 the city, and the legislative body of the city has by resolution
 2 determined that the increase is necessary to pay normal
 3 operating expenses:
 4 The maximum amount of the increase is equal to the amount of
 5 property tax replacement credits under IC 6-3.5-1.1 that the city
 6 petitioned under this section to have reallocated in 2001 for a
 7 purpose other than property tax relief.
 8 ~~(12)~~ (3) A levy increase may be granted under this subdivision
 9 only for property taxes first due and payable after December 31,
 10 2008. Permission to a civil taxing unit to increase its levy in
 11 excess of the limitations established under section 3 of this
 12 chapter if the civil taxing unit cannot carry out its governmental
 13 functions for an ensuing calendar year under the levy limitations
 14 imposed by section 3 of this chapter due to a natural disaster, an
 15 accident, or another unanticipated emergency.
 16 ~~(13)~~ Permission to Jefferson County to increase its levy in excess
 17 of the limitations established under section 3 of this chapter if the
 18 department finds that the county experienced a property tax
 19 revenue shortfall that resulted from an erroneous estimate of the
 20 effect of the supplemental deduction under IC 6-1.1-12-37.5 on
 21 the county's assessed valuation. An appeal for a levy increase
 22 under this subdivision may not be denied because of the amount
 23 of cash balances in county funds. The maximum increase in the
 24 county's levy that may be approved under this subdivision is three
 25 hundred thousand dollars (\$300,000).
 26 (b) The department of local government finance shall increase the
 27 maximum permissible ad valorem property tax levy under section 3 of
 28 this chapter for the city of Goshen for 2012 and thereafter by an
 29 amount equal to the greater of zero (0) or the result of:
 30 (1) the city's total pension costs in 2009 for the 1925 police
 31 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund
 32 (IC 36-8-7); minus
 33 (2) the sum of:
 34 (A) the total amount of state funds received in 2009 by the city
 35 and used to pay benefits to members of the 1925 police
 36 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund
 37 (IC 36-8-7); plus
 38 (B) any previous permanent increases to the city's levy that
 39 were authorized to account for the transfer to the state of the
 40 responsibility to pay benefits to members of the 1925 police
 41 pension fund (IC 36-8-6) and the 1937 firefighters' pension
 42 fund (IC 36-8-7).



1 (c) In calendar year 2013, the department of local government
 2 finance shall allow a township to increase its maximum permissible ad
 3 valorem property tax levy in excess of the limitations established under
 4 section 3 of this chapter, if the township:

5 (1) petitions the department for the levy increase on a form
 6 prescribed by the department; and

7 (2) submits proof of the amount borrowed in 2012 or 2013, but
 8 not both, under IC 36-6-6-14 to furnish fire protection for the
 9 township or a part of the township.

10 The maximum increase in a township's levy that may be allowed under
 11 this subsection is the amount borrowed by the township under
 12 IC 36-6-6-14 in the year for which proof was submitted under
 13 subdivision (2). An increase allowed under this subsection applies to
 14 property taxes first due and payable after December 31, 2013.

15 SECTION 13. IC 6-1.1-18.5-13.5 IS REPEALED [EFFECTIVE
 16 JULY 1, 2016]. Sec. 13.5: A levy increase may not be granted under
 17 this section for property taxes first due and payable after December 31,
 18 2009. With respect to an appeal filed under section 12 of this chapter,
 19 the department of local government finance may give permission to a
 20 town having a population of more than three hundred (300) but less
 21 than four hundred (400) located in a county having a population of
 22 more than sixty-eight thousand nine hundred (68,900) but less than
 23 seventy thousand (70,000) to increase its levy in excess of the
 24 limitations established under section 3 of this chapter, if the department
 25 finds that the town needs the increase to pay the costs of furnishing fire
 26 protection for the town. However, any increase in the amount of the
 27 town's levy under this section for the ensuing calendar year may not
 28 exceed the greater of:

29 (1) twenty-five thousand dollars (\$25,000); or

30 (2) twenty percent (20%) of the sum of:

31 (A) the amount authorized for the cost of furnishing fire
 32 protection in the town's budget for the immediately preceding
 33 calendar year; plus

34 (B) the amount of any additional appropriations authorized
 35 under IC 6-1.1-18-5 during that calendar year for the town's
 36 use in paying the costs of furnishing fire protection.

37 SECTION 14. IC 6-1.1-18.5-13.6 IS REPEALED [EFFECTIVE
 38 JULY 1, 2016]. Sec. 13.6: A levy increase may not be granted under
 39 this section for property taxes first due and payable after December 31,
 40 2008. For an appeal filed under section 12 of this chapter, the
 41 department of local government finance may give permission to a
 42 county to increase its levy in excess of the limitations established under



1 section 3 of this chapter if the department finds that the county needs
2 the increase to pay for:

3 (1) a new voting system; or

4 (2) the expansion or upgrade of an existing voting system;

5 under IC 3-11-6.

6 SECTION 15. IC 6-1.1-30-14.5 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14.5. The department
8 of local government finance ~~shall~~ **may** adopt rules under IC 4-22-2 to
9 limit the basis of payment for services provided by all professionals,
10 including but not limited to attorneys, architects, and construction
11 managers, who work on capital projects, to a fee for service agreement
12 and may not adopt a rule authorizing the basis of payment for the
13 services to be a percentage of the cost of the capital project.

14 SECTION 16. IC 6-1.1-31-2 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. **(a)** The department
16 of local government finance may:

17 **(1) promulgate rules in the manner prescribed in IC 4-22-2;**
18 **and**

19 **(2) prescribe forms, including** property tax forms, property tax
20 returns, and notice forms. ~~in the manner prescribed in IC 4-22-2.~~
21 ~~However, the department of local government finance may, at any~~
22 ~~time, make a nonsubstantive change in a promulgated property~~
23 ~~tax form or return if the change is advisable because of the special~~
24 ~~nature of equipment which is available in a particular county.~~

25 **(b) The department of local government finance may, through**
26 **the Indiana archives and records administration, amend at any**
27 **time the forms that the department of local government finance**
28 **prescribes under section.**

29 **(c) The department of local government finance may enforce the**
30 **use of forms that the department of local government finance**
31 **prescribes under this section.**

32 **(d) Forms that were prescribed by the department of local**
33 **government finance and approved by the Indiana archives and**
34 **records administration before July 1, 2016, are legalized and**
35 **validated.**

36 SECTION 17. IC 6-1.1-33.5-3, AS AMENDED BY P.L.257-2013,
37 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2016]: Sec. 3. The division of data analysis shall:

39 (1) conduct continuing studies in the areas in which the
40 department of local government finance operates;

41 (2) make periodic field surveys and audits of:

42 (A) tax rolls;



- 1 (B) plat books;
- 2 (C) building permits;
- 3 (D) real estate transfers; and
- 4 (E) other data that may be useful in checking property
- 5 valuations or taxpayer returns;
- 6 (3) ~~make assist with the department of local government~~
- 7 **finance's** test checks of property valuations to serve as the basis
- 8 for special reassessments under this article;
- 9 (4) ~~conduct annually a~~ **assist with the department of local**
- 10 **government finance's** review of each coefficient of dispersion
- 11 study for each township and county;
- 12 (5) ~~conduct annually a~~ **assist with the department of local**
- 13 **government finance's** review of each sales assessment ratio
- 14 study for each township and county; and
- 15 (6) report annually to the executive director of the legislative
- 16 services agency, in an electronic format under IC 5-14-6, the
- 17 information obtained or determined under this section for use by
- 18 the executive director and the general assembly, including:
- 19 (A) all information obtained by the division of data analysis
- 20 from units of local government; and
- 21 (B) all information included in:
- 22 (i) the local government data base; and
- 23 (ii) any other data compiled by the division of data analysis.
- 24 SECTION 18. IC 6-1.1-36-7, AS AMENDED BY P.L.172-2011,
- 25 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2016]: Sec. 7. (a) The department of local government finance
- 27 may cancel any property taxes, **delinquencies, fees, special**
- 28 **assessments, and penalties** assessed against real property owned by
- 29 a county, a township, a city, a town, or a body corporate and politic
- 30 established under IC 8-10-5-2(a), **regardless of whether the county,**
- 31 **township, city, town, or body corporate and politic established**
- 32 **under IC 8-10-5-2(a) owned the property on the assessment date**
- 33 **for which the property taxes, delinquencies, fees, special**
- 34 **assessments, or penalties are imposed and regardless of when the**
- 35 **county, township, city, town, or body corporate and politic**
- 36 **established under IC 8-10-5-2(a) acquired the property,** if a petition
- 37 requesting that the department cancel the taxes is submitted by the
- 38 auditor, assessor, and treasurer of the county in which the real property
- 39 is located.
- 40 (b) The department of local government finance may cancel any
- 41 property taxes, **delinquencies, fees, special assessments, and**
- 42 **penalties** assessed against real property owned by this state, **regardless**



1 **of whether the state owned the property on the assessment date for**
 2 **which the property taxes, delinquencies, fees, special assessments,**
 3 **or penalties are imposed and regardless of when the state acquired**
 4 **the property**, if a petition requesting that the department cancel the
 5 taxes is submitted by:

- 6 (1) the governor; or
 7 (2) the chief administrative officer of the state agency which
 8 supervises the real property.

9 However, if the petition is submitted by the chief administrative officer
 10 of a state agency, the governor must approve the petition.

11 (c) The department of local government finance may compromise
 12 the amount of property taxes, together with any interest or penalties on
 13 those taxes, assessed against the fixed or distributable property owned
 14 by a bankrupt railroad, which is under the jurisdiction of:

- 15 (1) a federal court under 11 U.S.C. 1163;
 16 (2) Chapter X of the Acts of Congress Relating to Bankruptcy (11
 17 U.S.C. 701-799); or
 18 (3) a comparable bankruptcy law.

19 (d) After making a compromise under subsection (c) and after
 20 receiving payment of the compromised amount, the department of local
 21 government finance shall distribute to each county treasurer an amount
 22 equal to the product of:

- 23 (1) the compromised amount; multiplied by
 24 (2) a fraction, the numerator of which is the total of the particular
 25 county's property tax levies against the railroad for the
 26 compromised years, and the denominator of which is the total of
 27 all property tax levies against the railroad for the compromised
 28 years.

29 (e) After making the distribution under subsection (d), the
 30 department of local government finance shall direct the auditors of
 31 each county to remove from the tax rolls the amount of all property
 32 taxes assessed against the bankrupt railroad for the compromised years.

33 (f) The county auditor of each county receiving money under
 34 subsection (d) shall allocate that money among the county's taxing
 35 districts. The auditor shall allocate to each taxing district an amount
 36 equal to the product of:

- 37 (1) the amount of money received by the county under subsection
 38 (d); multiplied by
 39 (2) a fraction, the numerator of which is the total of the taxing
 40 district's property tax levies against the railroad for the
 41 compromised years, and the denominator of which is the total of
 42 all property tax levies against the railroad in that county for the



1 compromised years.

2 (g) The money allocated to each taxing district shall be apportioned
3 and distributed among the taxing units of that taxing district in the
4 same manner and at the same time that property taxes are apportioned
5 and distributed.

6 (h) The department of local government finance may, with the
7 approval of the attorney general, compromise the amount of property
8 taxes, together with any interest or penalties on those taxes, assessed
9 against property owned by a person that has a case pending under state
10 or federal bankruptcy law. Property taxes that are compromised under
11 this section shall be distributed and allocated at the same time and in
12 the same manner as regularly collected property taxes. The department
13 of local government finance may compromise property taxes under this
14 subsection only if:

15 (1) a petition is filed with the department of local government
16 finance that requests the compromise and is signed and approved
17 by the assessor, auditor, and treasurer of each county and the
18 assessor of each township (if any) that is entitled to receive any
19 part of the compromised taxes;

20 (2) the compromise significantly advances the time of payment of
21 the taxes; and

22 (3) the compromise is in the best interest of the state and the
23 taxing units that are entitled to receive any part of the
24 compromised taxes.

25 (i) A taxing unit that receives funds under this section is not
26 required to include the funds in its budget estimate for any budget year
27 which begins after the budget year in which it receives the funds.

28 (j) A county treasurer, with the consent of the county auditor and the
29 county assessor, may compromise the amount of property taxes,
30 interest, or penalties owed in a county by an entity that has a case
31 pending under Title 11 of the United States Code (Bankruptcy Code)
32 by accepting a single payment that must be at least seventy-five percent
33 (75%) of the total amount owed in the county.

34 SECTION 19. IC 6-1.1-36-17, AS AMENDED BY P.L.5-2015,
35 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2016]: Sec. 17. (a) As used in this section, "nonreverting
37 fund" refers to a nonreverting fund established under subsection ~~(c)~~
38 **(d)**.

39 **(b) Each If a county auditor that makes a determination that**
40 **property was not eligible for a standard deduction under IC 6-1.1-12-37**
41 **in a particular year within three (3) years after the date on which**
42 **taxes for the particular year are first due, the county auditor may**



1 issue a notice of taxes, interest, and penalties due to the owner that
 2 improperly received the standard deduction and include a
 3 statement that the payment is to be made payable to the county
 4 auditor. The notice must require full payment of the amount owed
 5 within thirty (30) days. The additional taxes and civil penalties that
 6 result from the removal of the deduction, if any, are imposed for
 7 property taxes first due and payable for an assessment date
 8 occurring before the earlier of the date of the notation made under
 9 subsection (c)(2)(A) or the date a notice of an ineligible homestead
 10 lien is recorded under subsection (e)(2) in the office of the county
 11 recorder. With respect to property subject to a determination
 12 made under this subsection that is owned by a bona fide purchaser
 13 without knowledge of the determination, no lien attaches for any
 14 additional taxes and civil penalties that result from the removal of
 15 the deduction.

16 (c) If a county auditor issues a notice of taxes, interest, and
 17 penalties due to an owner under subsection (b), the county auditor
 18 shall:

- 19 (1) notify the county treasurer of the determination; and
 20 (2) do one (1) or more of the following:
 21 (A) Make a notation on the tax duplicate that the property is
 22 ineligible for the standard deduction and indicate the date the
 23 notation is made.
 24 (B) Record a notice of an ineligible homestead lien under
 25 subsection ~~(d)(2)~~: (e)(2).

26 The county auditor shall issue a notice of taxes, interest, and penalties
 27 due to the owner that improperly received the standard deduction and
 28 include a statement that the payment is to be made payable to the
 29 county auditor. The notice must require full payment of the amount
 30 owed within thirty (30) days. The additional taxes and civil penalties
 31 that result from the removal of the deduction, if any, are imposed for
 32 property taxes first due and payable for an assessment date occurring
 33 before the earlier of the date of the notation made under subdivision
 34 (2)(A) or the date a notice of an ineligible homestead lien is recorded
 35 under subsection ~~(d)(2)~~ in the office of the county recorder. With
 36 respect to property subject to a determination made under this
 37 subsection that is owned by a bona fide purchaser without knowledge
 38 of the determination, no lien attaches for any additional taxes and civil
 39 penalties that result from the removal of the deduction.

40 ~~(e)~~ (d) Each county auditor shall establish a nonreverting fund.
 41 Upon collection of the adjustment in tax due (and any interest and
 42 penalties on that amount) after the termination of a deduction or credit



1 as specified in subsection (b), the county treasurer shall deposit that
2 amount:

3 (1) in the nonreverting fund, if the county contains a consolidated
4 city; or

5 (2) if the county does not contain a consolidated city:

6 (A) in the nonreverting fund, to the extent that the amount
7 collected, after deducting the direct cost of any contract,
8 including contract related expenses, under which the
9 contractor is required to identify homestead deduction
10 eligibility, does not cause the total amount deposited in the
11 nonreverting fund under this subsection for the year during
12 which the amount is collected to exceed one hundred thousand
13 dollars (\$100,000); or

14 (B) in the county general fund, to the extent that the amount
15 collected exceeds the amount that may be deposited in the
16 nonreverting fund under clause (A).

17 ~~(d)~~ (e) Any part of the amount due under subsection (b) that is not
18 collected by the due date is subject to collection under one (1) or more
19 of the following:

20 (1) After being placed on the tax duplicate for the affected
21 property and collected in the same manner as other property taxes.

22 (2) Through a notice of an ineligible homestead lien recorded in
23 the county recorder's office without charge.

24 The adjustment in tax due (and any interest and penalties on that
25 amount) after the termination of a deduction or credit as specified in
26 subsection (b) shall be deposited as specified in subsection ~~(e)~~ (d) only
27 in the first year in which that amount is collected. Upon the collection
28 of the amount due under subsection (b) or the release of a lien recorded
29 under subdivision (2), the county auditor shall submit the appropriate
30 documentation to the county recorder, who shall amend the information
31 recorded under subdivision (2) without charge to indicate that the lien
32 has been released or the amount has been paid in full.

33 ~~(e)~~ (f) The amount to be deposited in the nonreverting fund or the
34 county general fund under subsection ~~(e)~~ (d) includes adjustments in
35 the tax due as a result of the termination of deductions or credits
36 available only for property that satisfies the eligibility for a standard
37 deduction under IC 6-1.1-12-37, including the following:

38 (1) Supplemental deductions under IC 6-1.1-12-37.5.

39 (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26,
40 IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26,
41 or any other law.

42 (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or



1 IC 6-1.1-20.6-8.5.

2 Any amount paid that exceeds the amount required to be deposited
3 under subsection ~~(c)(1)~~ **(d)(1)** or ~~(c)(2)~~ **(d)(2)** shall be distributed as
4 property taxes.

5 ~~(f)~~ **(g)** Money deposited under subsection ~~(c)(1)~~ **(d)(1)** or ~~(c)(2)~~
6 **(d)(2)** shall be treated as miscellaneous revenue. Distributions shall be
7 made from the nonreverting fund established under this section upon
8 appropriation by the county fiscal body and shall be made only for the
9 following purposes:

10 (1) Fees and other costs incurred by the county auditor to discover
11 property that is eligible for a standard deduction under
12 IC 6-1.1-12-37.

13 (2) Other expenses of the office of the county auditor.

14 The amount of deposits in a reverting fund, the balance of a
15 nonreverting fund, and expenditures from a reverting fund may not be
16 considered in establishing the budget of the office of the county auditor
17 or in setting property tax levies that will be used in any part to fund the
18 office of the county auditor.

19 SECTION 20. IC 6-1.1-36-18 IS REPEALED [EFFECTIVE JULY
20 1, 2016]. See: 18: (a) As used in this section, "local agency" has the
21 meaning set forth in IC 4-6-3-1.

22 (b) As used in this section, "tax liability" includes liability for
23 special assessments and refers to liability for property taxes after the
24 application of all allowed deductions and credits. The term does not
25 include any property taxes that a person is not required to pay under
26 IC 6-1.1-15-10 with respect to a pending review of an assessment or an
27 increase in assessment under IC 6-1.1-15.

28 (c) The fiscal body of a county may adopt an ordinance to allow the
29 county, political subdivisions within the county, and local agencies
30 within the county to use a uniform property tax disclosure form for
31 purposes described in subsection (d).

32 (d) If the fiscal body of a county adopts an ordinance under this
33 section, a county, a political subdivision within the county, or a local
34 agency within the county may require a person applying for a property
35 tax exemption, a property tax deduction, a zoning change or zoning
36 variance, a building permit, or any other locally issued license or
37 permit to submit a uniform property tax disclosure form prescribed
38 under this section with the person's application for the property tax
39 exemption, property tax deduction, zoning change or zoning variance,
40 building permit, or any other locally issued license or permit.

41 (e) If the fiscal body of a county adopts an ordinance under this
42 section, the fiscal body shall prescribe the uniform property tax



1 disclosure form used within the county. The state board of accounts
 2 and the department of local government finance shall provide
 3 assistance to a fiscal body in prescribing the form upon the request of
 4 the fiscal body. The form must require the disclosure of the following
 5 information from a person applying for a property tax exemption; a
 6 property tax deduction; a zoning change or zoning variance; a building
 7 permit, or any other locally issued license or permit:

8 (1) A description of each parcel of real property located in the
 9 county that is owned by the person:

10 (2) A verified statement, made under penalties of perjury, listing
 11 the following concerning each parcel of real property disclosed
 12 under subdivision (1):

13 (A) The parcels for which the person is current on the tax
 14 liability, if any:

15 (B) The parcels for which the person has a delinquent tax
 16 liability, if any:

17 (3) Any other information necessary for the county, a political
 18 subdivision within the county, or a local agency within the county
 19 to determine whether the person has a delinquent tax liability on
 20 real property located in the county:

21 SECTION 21. IC 6-1.1-40-11, AS AMENDED BY P.L.245-2015,
 22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 2, 2016 (RETROACTIVE)]: Sec. 11. (a) A person that
 24 desires to obtain the deduction provided by section 10 of this chapter
 25 must file a certified deduction application, on forms prescribed by the
 26 department of local government finance, with:

27 (1) the auditor of the county in which the new manufacturing
 28 equipment is located; and

29 (2) the department of local government finance.

30 A person that timely files a personal property return under
 31 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
 32 is installed must file the application between ~~March 10~~ **January 1** and
 33 May 15 of that year.

34 (b) The application required by this section must contain the
 35 following information:

36 (1) The name of the owner of the new manufacturing equipment.

37 (2) A description of the new manufacturing equipment.

38 (3) Proof of the date the new manufacturing equipment was
 39 installed.

40 (4) The amount of the deduction claimed for the first year of the
 41 deduction.

42 (c) A deduction application must be filed under this section in the



1 year in which the new manufacturing equipment is installed and in
2 each of the immediately succeeding nine (9) years.

3 (d) The department of local government finance shall review and
4 verify the correctness of each application and shall notify the county
5 auditor of the county in which the property is located that the
6 application is approved or denied or that the amount of the deduction
7 is altered. Upon notification of approval of the application or of
8 alteration of the amount of the deduction, the county auditor shall make
9 the deduction.

10 (e) If the ownership of new manufacturing equipment changes, the
11 deduction provided under section 10 of this chapter continues to apply
12 to that equipment if the new owner:

13 (1) continues to use the equipment in compliance with any
14 standards established under section 7(c) of this chapter; and

15 (2) files the applications required by this section.

16 (f) The amount of the deduction is:

17 (1) the percentage under section 10 of this chapter that would
18 have applied if the ownership of the property had not changed;
19 multiplied by

20 (2) the assessed value of the equipment for the year the deduction
21 is claimed by the new owner.

22 SECTION 22. IC 6-1.1-41-6, AS AMENDED BY P.L.137-2012,
23 SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2016]: Sec. 6. Not later than noon thirty (30) days after the
25 publication of the notice of adoption required by section 3 of this
26 chapter:

27 (1) at least ten (10) taxpayers in the taxing district, if the fund is
28 authorized under IC 8-10-5-17, IC 8-16-3-1, IC 8-16-3.1-4,
29 IC 14-27-6-48, IC 14-33-21-2, IC 36-8-14-2, **IC 36-8-19-8.5**,
30 IC 36-9-4-48, or IC 36-10-4-36;

31 (2) at least twenty (20) taxpayers in a county served by a hospital,
32 if the fund is authorized under IC 16-22-4-1;

33 (3) at least thirty (30) taxpayers in a tax district, if the fund is
34 authorized under IC 36-10-3-21 or IC 36-10-7.5-19;

35 (4) at least fifty (50) taxpayers in a municipality, township, or
36 county, if subdivision (1), (2), (3), or (5) does not apply; or

37 (5) at least one hundred (100) taxpayers in the county, if the fund
38 is authorized by IC 3-11-6;

39 may file a petition with the county auditor stating their objections to an
40 action described in section 2 of this chapter. Upon the filing of the
41 petition, the county auditor shall immediately certify the petition to the
42 department of local government finance.



1 SECTION 23. IC 6-1.1-42-28, AS AMENDED BY P.L.112-2012,
 2 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2016]: Sec. 28. (a) Subject to this section and section 34 of
 4 this chapter, the amount of the deduction which the property owner is
 5 entitled to receive under this chapter for a particular year equals the
 6 product of:

- 7 (1) the increase in the assessed value resulting from the
- 8 remediation and redevelopment in the zone or the location of
- 9 personal property in the zone, or both; multiplied by
- 10 (2) the percentage determined under subsection (b).

11 (b) The percentage to be used in calculating the deduction under
 12 subsection (a) is as follows:

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

14 YEAR OF DEDUCTION	PERCENTAGE
15 1st	100%
16 2nd	66%
17 3rd	33%

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

19 YEAR OF DEDUCTION	PERCENTAGE
20 1st	100%
21 2nd	85%
22 3rd	66%
23 4th	50%
24 5th	34%
25 6th	17%

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

27 YEAR OF DEDUCTION	PERCENTAGE
28 1st	100%
29 2nd	95%
30 3rd	80%
31 4th	65%
32 5th	50%
33 6th	40%
34 7th	30%
35 8th	20%
36 9th	10%
37 10th	5%

38 (c) The amount of the deduction determined under subsection (a)
 39 shall be adjusted in accordance with this subsection in the following
 40 circumstances:

41 (1) If a:

- 42 (A) general reassessment of real property under IC 6-1.1-4-4;



- 1 or
 2 (B) reassessment under a county's reassessment plan prepared
 3 under IC 6-1.1-4-4.2;
 4 occurs within the particular period of the deduction, the amount
 5 determined under subsection (a)(1) shall be adjusted to reflect the
 6 percentage increase or decrease in assessed valuation that resulted
 7 from the reassessment.
 8 (2) If an appeal of an assessment is approved that results in a
 9 reduction of the assessed value of the redeveloped or rehabilitated
 10 property, the amount of any deduction shall be adjusted to reflect
 11 the percentage decrease that resulted from the appeal.
 12 (3) The amount of the deduction may not exceed the limitations
 13 imposed by the designating body under section 23 of this chapter.
 14 (4) The amount of the deduction must be proportionally reduced
 15 by the proportionate ownership of the property by a person that:
 16 (A) has an ownership interest in an entity that contributed; or
 17 (B) has contributed;
 18 a contaminant (as defined in IC 13-11-2-42) that is the subject of
 19 the voluntary remediation, as determined under the written
 20 standards adopted by the department of environmental
 21 management.
 22 The department of local government finance ~~shall~~ **may** adopt rules
 23 under IC 4-22-2 to implement this subsection.
 24 SECTION 24. IC 6-1.1-44-6, AS AMENDED BY P.L.245-2015,
 25 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 2, 2016 (RETROACTIVE)]: Sec. 6. (a) To obtain a
 27 deduction under this chapter, a manufacturer must file an application
 28 on forms prescribed by the department of local government finance
 29 with the auditor of the county in which the investment property is
 30 located. A person that timely files a personal property return under
 31 IC 6-1.1-3-7(a) for the year in which the investment property is
 32 installed must file the application between ~~March 10~~ **January 1** and
 33 May 15 of that year. A person that obtains a filing extension under
 34 IC 6-1.1-3-7(b) for the year in which the investment property is
 35 installed must file the application between ~~March 10~~ **January 1** and
 36 the extended due date for that year.
 37 (b) The deduction application required by this section must contain
 38 the following information:
 39 (1) The name of the owner of the investment property.
 40 (2) A description of the investment property.
 41 (3) Proof of purchase of the investment property and proof of the
 42 date the investment property was installed.



1 (4) The amount of the deduction claimed.

2 SECTION 25. IC 36-6-6-14, AS AMENDED BY P.L.218-2013,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2016]: Sec. 14. (a) At any special meeting, if two (2) or more
5 members give their consent, the legislative body may determine
6 whether there is a need for fire and emergency services or other
7 emergency requiring the expenditure of money not included in the
8 township's budget estimates and levy.

9 (b) Subject to section 14.5 of this chapter, if the legislative body
10 finds that a need for fire and emergency services or other emergency
11 exists, it may issue a special order, entered and signed on the record,
12 authorizing the executive to borrow a specified amount of money
13 sufficient to meet the emergency. However, the legislative body may
14 not authorize the executive to borrow money under this subsection in
15 more than three (3) calendar years during any five (5) year period.

16 (c) Notwithstanding IC 36-8-13-4(a), the legislative body may
17 authorize the executive to borrow a specified sum from a township
18 fund other than the township firefighting fund if the legislative body
19 finds that the emergency requiring the expenditure of money is related
20 to paying the operating expenses of a township fire department or a
21 volunteer fire department. At its next annual session, the legislative
22 body shall cover the debt created by making a levy to the credit of the
23 fund for which the amount was borrowed under this subsection.

24 (d) In determining whether a fire and emergency services need
25 exists requiring the expenditure of money not included in the
26 township's budget estimates and levy, the legislative body and any
27 reviewing authority considering the approval of the additional
28 borrowing shall consider the following factors:

29 (1) The current and projected certified and noncertified public
30 safety payroll needs of the township.

31 (2) The current and projected need for fire and emergency
32 services within the jurisdiction served by the township.

33 (3) Any applicable national standards or recommendations for the
34 provision of fire protection and emergency services.

35 (4) Current and projected growth in the number of residents and
36 other citizens served by the township, emergency service runs,
37 certified and noncertified personnel, and other appropriate
38 measures of public safety needs in the jurisdiction served by the
39 township.

40 (5) Salary comparisons for certified and noncertified public safety
41 personnel in the township and other surrounding or comparable
42 jurisdictions.



1 (6) Prior annual expenditures for fire and emergency services,
2 including all amounts budgeted under this chapter.

3 (7) Current and projected growth in the assessed value of property
4 requiring protection in the jurisdiction served by the township.

5 (8) Other factors directly related to the provision of public safety
6 within the jurisdiction served by the township.

7 (e) In the event the township received additional funds under this
8 chapter in the immediately preceding budget year for an approved
9 expenditure, any reviewing authority shall take into consideration the
10 use of the funds in the immediately preceding budget year and the
11 continued need for funding the services and operations to be funded
12 with the proceeds of the loan.

13 (f) This subsection applies to a township that is allowed an increase
14 in its maximum permissible ad valorem property tax levy under
15 IC 6-1.1-18.5-13(c). The restrictions on borrowing set forth in this
16 subsection are instead of the restrictions set forth in subsection (b).
17 Repayments of the money borrowed in 2012 or 2013, as applicable,
18 may be made over a three (3) year period beginning in 2014, and
19 ending in 2016. Each year the township may borrow the amount
20 necessary to repay one third (1/3) of the principal and interest of that
21 debt. After 2016, the township may not borrow money under
22 subsection (b) in more than three (3) calendar years during any five (5)
23 year period.

24 SECTION 26. IC 36-8-19-8.5, AS AMENDED BY P.L.255-2013,
25 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2016]: Sec. 8.5. (a) Participating units may agree to establish
27 an equipment replacement fund under this section to be used to
28 purchase fire protection equipment, including housing, that will be
29 used to serve the entire territory. To establish the fund, the legislative
30 bodies of each participating unit must adopt an ordinance (if the unit
31 is a county or municipality) or a resolution (if the unit is a township),
32 and the following requirements must be met:

33 (1) The ordinance or resolution is identical to the ordinances and
34 resolutions adopted by the other participating units under this
35 section.

36 (2) Before adopting the ordinance or resolution, each participating
37 unit must comply with the notice and hearing requirements of
38 IC 6-1.1-41-3.

39 (3) The ordinance or resolution authorizes the provider unit to
40 establish the fund.

41 (4) The ordinance or resolution includes at least the following:

42 (A) The name of each participating unit and the provider unit.



1 (B) An agreement to impose a uniform tax rate upon all of the
 2 taxable property within the territory for the equipment
 3 replacement fund.

4 (C) The contents of the agreement to establish the fund.
 5 An ordinance or a resolution adopted under this section takes effect as
 6 provided in IC 6-1.1-41.

7 (b) If a fund is established, the participating units may agree to:
 8 (1) impose a property tax to provide for the accumulation of
 9 money in the fund to purchase fire protection equipment;
 10 (2) incur debt to purchase fire protection equipment and impose
 11 a property tax to retire the loan; or
 12 (3) transfer an amount from the fire protection territory fund to
 13 the fire equipment replacement fund not to exceed five percent
 14 (5%) of the levy for the fire protection territory fund for that year;
 15 or any combination of these options.

16 (c) The property tax rate for the levy imposed under this section may
 17 not exceed three and thirty-three hundredths cents (\$0.0333) per one
 18 hundred dollars (\$100) of assessed value. Before debt may be incurred,
 19 the fiscal body of a participating unit must adopt an ordinance (if the
 20 unit is a county or municipality) or a resolution (if the unit is a
 21 township) that specifies the amount and purpose of the debt. The
 22 ordinance or resolution must be identical to the other ordinances and
 23 resolutions adopted by the participating units. ~~In addition, the~~
 24 ~~department of local government finance must approve the incurrence~~
 25 ~~of the debt using the same standards as applied to the incurrence of~~
 26 ~~debt by civil taxing units.~~ **Except as provided in subsection (d), if**
 27 **debt is to be incurred for the purposes of a fund, the provider unit**
 28 **shall negotiate for and hold the debt on behalf of the territory.**
 29 **However, the participating units and the provider unit of the**
 30 **territory are jointly liable for any debt incurred by the provider**
 31 **unit for the purposes of the fund. The most recent adjusted value**
 32 **of taxable property for the entire territory must be used to**
 33 **determine the debt limit under IC 36-1-15-6. A provider unit shall**
 34 **comply with all general statutes and rules relating to the**
 35 **incurrence of debt under this subsection.**

36 (d) A participating unit of a territory may, to the extent allowed
 37 by law, incur debt in the participating unit's own name to acquire
 38 fire protection equipment or other property that is to be owned by
 39 the participating unit. A participating unit that acquires fire
 40 protection equipment or other property under this subsection may
 41 afterward enter into an interlocal agreement under IC 36-1-7 with
 42 the provider unit to furnish the fire protection equipment or other



1 **property to the provider unit for the provider unit's use or benefit**
 2 **in accomplishing the purposes of the territory. A participating unit**
 3 **shall comply with all general statutes and rules relating to the**
 4 **incurrence of debt under this subsection.**

5 ~~(e)~~ (e) Money in the fund may be used by the provider unit only for
 6 those purposes set forth in the agreement among the participating units
 7 that permits the establishment of the fund.

8 ~~(f)~~ (f) The requirements and procedures specified in IC 6-1.1-41
 9 concerning the establishment or reestablishment of a cumulative fund,
 10 the imposing of a property tax for a cumulative fund, and the increasing
 11 of a property tax rate for a cumulative fund apply to:

- 12 (1) the establishment or reestablishment of a fund under this
- 13 section;
- 14 (2) the imposing of a property tax for a fund under this section;
- 15 and
- 16 (3) the increasing of a property tax rate for a fund under this
- 17 section.

18 ~~(g)~~ (g) Notwithstanding IC 6-1.1-18-12, if a fund established under
 19 this section is reestablished in the manner provided in IC 6-1.1-41, the
 20 property tax rate imposed for the fund in the first year after the fund is
 21 reestablished may not exceed three and thirty-three hundredths cents
 22 (\$0.0333) per one hundred dollars (\$100) of assessed value.

23 SECTION 27. IC 36-8-19-13, AS AMENDED BY P.L.47-2007,
 24 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2016]: Sec. 13. (a) If a unit elects to withdraw from a fire
 26 protection territory established under this chapter, the unit must after
 27 January 1 but before April 1, adopt an ordinance (if the unit is a county
 28 or municipality) or a resolution (if the unit is a township) providing for
 29 the withdrawal. An ordinance or resolution adopted under this section
 30 takes effect July 1 of the year that the ordinance or resolution is
 31 adopted.

- 32 (b) If an ordinance or a resolution is adopted under subsection (a)
- 33 ~~(1) the unit's maximum permissible ad valorem property tax levy~~
 - 34 ~~with respect to fire protection services shall be initially increased~~
 - 35 ~~by the amount of the particular unit's previous year levy under this~~
 - 36 ~~chapter; and~~
 - 37 ~~(2) additional increases with respect to fire protection services~~
 - 38 ~~levy amounts are subject to the tax levy limitations under~~
 - 39 ~~IC 6-1.1-18.5; except for the part of the unit's levy that is~~
 - 40 ~~necessary to retire the unit's share of any debt incurred while the~~
 - 41 ~~unit was a participating unit.~~

42 **for purposes of determining a unit's maximum permissible ad**



1 **valorem property tax levy for the year following the year in which**
 2 **the ordinance or resolution is adopted, the unit receives a**
 3 **percentage of the territory's maximum permissible ad valorem**
 4 **property tax levy equal to the percentage of the assessed valuation**
 5 **that the unit contributed to the territory in the year in which the**
 6 **ordinance or resolution is adopted. The department of local**
 7 **government finance shall adjust the territory's maximum**
 8 **permissible ad valorem property tax levy to account for the unit's**
 9 **withdrawal. After the effective date of an ordinance or resolution**
 10 **adopted under subsection (a), the unit may no longer impose a tax**
 11 **rate for an equipment replacement fund under section 8.5 of this**
 12 **chapter. The unit remains liable for the unit's share of any debt**
 13 **incurred under section 8.5 of this chapter.**

14 **(c) If a territory is dissolved, subsection (b) applies to the**
 15 **determination of the maximum permissible ad valorem property**
 16 **tax levy of each unit that formerly participated in the territory.**

17 SECTION 28. IC 36-12-2-25, AS AMENDED BY P.L.13-2013,
 18 SECTION 155, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2016]: Sec. 25. (a) The residents or real
 20 property taxpayers of the library district taxed for the support of the
 21 library may use the facilities and services of the public library without
 22 charge for library or related purposes. However, the library board may:

- 23 (1) fix and collect fees and rental charges; and
- 24 (2) assess fines, penalties, and damages for the:
 - 25 (A) loss of;
 - 26 (B) injury to; or
 - 27 (C) failure to return;

28 any library property or material.

29 (b) A library board may issue local library cards to:

- 30 (1) residents and real property taxpayers of the library district;
- 31 (2) Indiana residents who are not residents of the library district;
- 32 and
- 33 (3) individuals who reside out of state and who are being served
 34 through an agreement under IC 36-12-13.

35 (c) Except as provided in subsection (e), a library board must set
 36 and charge a fee for:

- 37 (1) a local library card issued under subsection (b)(2); and
- 38 (2) a local library card issued under subsection (b)(3).

39 (d) The minimum fee that the board may set under subsection (c) is
 40 the greater of the following:

- 41 (1) The library district's operating fund expenditure per capita in
 42 the most recent year for which that information is available in the



- 1 Indiana state library's annual "Statistics of Indiana Libraries".
 2 (2) Twenty-five dollars (\$25).
 3 (e) A library board may issue a local library card without charge or
 4 for a reduced fee to an individual who is not a resident of the library
 5 district and who is:
 6 (1) a student enrolled in or a teacher in a public school
 7 corporation or nonpublic school:
 8 (A) that is located at least in part in the library district; and
 9 (B) in which students in any grade from preschool through
 10 grade 12 are educated; **or**
 11 (2) a library employee of the district; **or**
 12 **(3) a student enrolled in a college or university that is located**
 13 **at least in part of the library district;**
 14 if the board adopts a resolution that is approved by an affirmative vote
 15 of a majority of the members appointed to the library board.
 16 (f) A library card issued under subsection (b)(2), (b)(3), or (e)
 17 expires one (1) year after issuance of the card.
 18 **(g) If a library card is issued under this section with an**
 19 **expiration date that occurs before the first anniversary of the date**
 20 **on which the library card is issued, the maximum fee for the**
 21 **library card may not exceed an amount equal to:**
 22 **(1) the lowest otherwise applicable fee that would be charged**
 23 **by the library board for a library card that has no expiration**
 24 **date or would expire on or after the first anniversary of the**
 25 **date on which the library card is issued; multiplied by**
 26 **(2) the fraction of a year for which the issued library card is**
 27 **valid.**
 28 SECTION 29. An emergency is declared for this act.

