

HOUSE BILL No. 1317

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-51.

Synopsis: State payments in lieu of property taxes. Requires the state to make payments in lieu of property taxes (PILOTs) for qualified parcels in qualified counties in which the lesser of 19%, or 5,000 acres, of all land in the qualified county is: (1) owned or leased by the state or the federal government; and (2) subject to an exemption from property taxes. Defines "qualified parcel" as a parcel that is: (1) owned or leased by the state; (2) subject to an exemption from property taxes; and (3) located in a qualified county. Provides that a qualified county containing qualified parcels is entitled to receive PILOTs from the state. Prohibits an underlying taxing unit of a qualified county from receiving PILOTs. Provides that, for purposes of calculating a PILOT, each acre of the qualified parcel is considered to have an assessed value of 1/2 of the statewide agricultural land base rate value. Provides that money received from the PILOTs must be used by a qualified county only for: (1) any public safety expense; and (2) infrastructure expenditures, including water quality improvements. Continuously appropriates from the state general fund the amount necessary to pay the required PILOTs.

Effective: July 1, 2024.

Hall, Patterson, Haggard, Pierce M

January 10, 2024, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1317

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-1.1-51 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]:
4 **Chapter 51. Payments in Lieu of Property Taxes**
5 **Sec. 1. This chapter applies to property taxes first due and**
6 **payable after December 31, 2024.**
7 **Sec. 2. As used in this chapter, "adjusted assessed value" means**
8 **the assessed value of a qualified parcel determined by using the**
9 **following formula:**
10 **STEP ONE: Determine the number of acres included in the**
11 **qualified parcel.**
12 **STEP TWO: Determine the product of:**
13 **(A) the statewide agricultural land base rate in effect on**
14 **the assessment date of the year immediately preceding the**
15 **year in which the PILOT is due; multiplied by**
16 **(B) the STEP ONE result.**
17 **STEP THREE: Determine the quotient of:**



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(A) the STEP TWO result; divided by
(B) two (2).

STEP FOUR: Round the STEP THREE result to the nearest dollar.

Sec. 3. As used in this chapter, "federal government" refers to the United States or an agency, board, bureau, commission, department, division, instrumentality, or office of the United States.

Sec. 4. As used in this chapter, "PILOT" refers to a payment in lieu of taxes.

Sec. 5. As used in this chapter, "qualified county" means a county in which the lesser of nineteen percent (19%), or five thousand (5,000) acres, of all of the land in the county is:

- (1) owned or leased by the state or the federal government;**
- and**
- (2) subject to an exemption from property taxes.**

Sec. 6. As used in this chapter, "qualified parcel" means a parcel of land that is:

- (1) owned or leased by the state;**
- (2) subject to an exemption from property taxes; and**
- (3) situated in a qualified county to which this chapter applies.**

Sec. 7. As used in this chapter, "state" includes an agency of state government. The term does not include a political subdivision.

Sec. 8. As used in this chapter, "statewide agricultural land base rate" means the statewide agricultural land base rate value per acre used to determine the true tax value of agricultural land as described in IC 6-1.1-1-3.5.

Sec. 9. Each year a qualified county is entitled to receive a PILOT from the state for qualified parcels. An underlying taxing unit of a qualified county is not entitled to receive a PILOT from the state.

Sec. 10. The assessing official shall determine the adjusted assessed values of the qualified parcels as though the land were not exempt from the payment of property taxes.

Sec. 11. The total amount of the PILOT due to a qualified county under this chapter in a particular year equals the total amount of property taxes that would have been levied in that year in the qualified county upon qualified parcels, as determined using each qualified parcel's adjusted assessed value.

Sec. 12. PILOTs:

- (1) must be collected and distributed in the same manner as property taxes are collected and distributed; and**



1 (2) are otherwise treated in the same manner as property
2 taxes for purposes of all procedural and substantive
3 provisions of law.
4 **Sec. 13. Money received by a qualified county from PILOTs**
5 **may be used by the qualified county only for:**
6 (1) any public safety expense; and
7 (2) infrastructure expenditures, including water quality
8 improvements.
9 **Sec. 14. There is continuously appropriated from the state**
10 **general fund the amount necessary to pay the PILOTs required by**
11 **this chapter.**

