

HOUSE BILL No. 1332

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.1-14.

Synopsis: Economic development fees. Eliminates the \$100,000 fee cap for purposes of the formula specifying the amount of the fee paid to the county treasurer by a property owner receiving a property tax abatement.

Effective: January 1, 2024.

May

January 12, 2023, read first time and referred to Committee on Ways and Means.



First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

HOUSE BILL No. 1332



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 6-1.1-12.1-14, AS AMENDED BY P.L.154-2006,
2 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2024]: Sec. 14. (a) This section does not apply to:
4 (1) a deduction under section 3 of this chapter for property
5 located in a residentially distressed area; or
6 (2) any other deduction under section 3 or 4.5 of this chapter for
7 which a statement of benefits was approved before July 1, 2004.
8 (b) A property owner that receives a deduction under section 3, 4.5,
9 or 4.8 of this chapter is subject to this section only if the designating
10 body, with the consent of the property owner, incorporates this section,
11 including the percentage to be applied by the county auditor for
12 purposes of STEP TWO of subsection (c), into its initial approval of the
13 property owner's statement of benefits and deduction at the time of that
14 approval.
15 (c) During each year in which a property owner's property tax
16 liability is reduced by a deduction applied under this chapter, the
17 property owner shall pay to the county treasurer a fee in an amount



1 determined by the county auditor. The county auditor shall determine
 2 the amount of the fee to be paid by the property owner according to the
 3 following formula:

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

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

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

14 (d) Fees collected under this section must be distributed to one (1)
 15 or more public or nonprofit entities established to promote economic
 16 development within the corporate limits of the city, town, or county
 17 served by the designating body. The designating body shall notify the
 18 county auditor of the entities that are to receive distributions under this
 19 section and the relative proportions of those distributions. The county
 20 auditor shall distribute fees collected under this section in accordance
 21 with the designating body's instructions.

22 (e) If the designating body determines that a property owner has not
 23 paid a fee imposed under this section, the designating body may adopt
 24 a resolution terminating the property owner's deduction under section
 25 3, 4.5, or 4.8 of this chapter. If the designating body adopts such a
 26 resolution, the deduction does not apply to the next installment of
 27 property taxes owed by the property owner or to any subsequent
 28 installment of property taxes.

29 SECTION 2. [EFFECTIVE JANUARY 1, 2024] (a)
 30 **IC 6-1.1-12.1-14, as amended by this act, applies to assessment**
 31 **dates occurring after December 31, 2023.**

32 (b) **This SECTION expires January 1, 2028.**

