

SENATE BILL No. 122

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-46.

Synopsis: State payments in lieu of property taxes. Requires the state to make payments in lieu of property taxes (PILOTs) for qualified parcels in counties in which at least 15% of all land in the county is: (1) in the aggregate, owned or leased by the state of Indiana 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 of Indiana; (2) subject to an exemption from property taxes; and (3) located in a county to which this act applies. Provides that a county containing qualified parcels is entitled to receive PILOTs from the state. Provides that for purposes of calculating a PILOT, each acre of the qualified parcel is considered to have an assessed value of one-half of the statewide agricultural land base rate value. Annually appropriates from the state general fund the amount necessary to pay the required PILOTs.

Effective: July 1, 2017.

Koch

January 4, 2017, read first time and referred to Committee on Tax and Fiscal Policy.



First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 122

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 6-1.1-46 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2017]:
- 4 **Chapter 46. Payments in Lieu of Property Taxes**
- 5 **Sec. 1. This chapter applies to a county in which at least fifteen**
- 6 **percent (15%) of all land in the county is:**
- 7 **(1) in the aggregate, owned or leased by the state of Indiana**
- 8 **or the federal government; and**
- 9 **(2) subject to an exemption from property taxes.**
- 10 **Sec. 2. This chapter applies to property taxes first due and**
- 11 **payable after December 31, 2017.**
- 12 **Sec. 3. As used in this chapter, "adjusted assessed value" means**
- 13 **the assessed value of a qualified parcel determined by using the**
- 14 **following formula:**
- 15 **STEP ONE: Determine the number of acres included in the**
- 16 **qualified parcel.**
- 17 **STEP TWO: Determine the product of:**



- 1 (A) the statewide agricultural land base rate in effect on
2 the assessment date of the year immediately preceding the
3 year in which the PILOT is due; multiplied by
4 (B) the STEP ONE result.
- 5 **STEP THREE: Determine the quotient of:**
6 (A) the STEP TWO result; divided by
7 (B) two (2).
- 8 **STEP FOUR: Round the STEP THREE result to the nearest**
9 **dollar.**
- 10 **Sec. 4. As used in this chapter, "federal government" refers to**
11 **the United States or an agency, board, bureau, commission,**
12 **department, division, instrumentality, or office of the United**
13 **States.**
- 14 **Sec. 5. As used in this chapter, "PILOT" refers to a payment in**
15 **lieu of taxes.**
- 16 **Sec. 6. As used in this chapter, "qualified parcel" means a**
17 **parcel of land that is:**
18 (1) owned or leased by the state of Indiana;
19 (2) subject to an exemption from property taxes; and
20 (3) situated in a county to which this chapter applies.
- 21 **Sec. 7. As used in this chapter, "state of Indiana" includes an**
22 **agency of state government. The term does not include a political**
23 **subdivision.**
- 24 **Sec. 8. As used in this chapter, "statewide agricultural land base**
25 **rate" means the statewide agricultural land base rate value per**
26 **acre used to determine the value of agricultural land as provided**
27 **under IC 6-1.1-4-13.2.**
- 28 **Sec. 9. A county is entitled to receive a PILOT from the state for**
29 **qualified parcels.**
- 30 **Sec. 10. The assessing official shall assess the qualified parcels**
31 **as provided under section 11 of this chapter as though the land**
32 **were not exempt from the payment of property taxes.**
- 33 **Sec. 11. The total amount of each PILOT due to a county under**
34 **this chapter in a particular year equals the total amount of**
35 **property taxes that would have been levied in that year in the**
36 **county upon the qualified parcel, as determined using the qualified**
37 **parcel's adjusted assessed value.**
- 38 **Sec. 12. PILOTs:**
39 (1) shall be collected and distributed in the same manner as
40 property taxes are collected and distributed;
41 (2) may be used for any purpose for which property taxes may
42 be used; and



1 **(3) 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. There is annually appropriated from the state general**
5 **fund the amount necessary to pay the PILOTs required by this**
6 **chapter.**

