



January 24, 2014

SENATE BILL No. 163

DIGEST OF SB 163 (Updated January 23, 2014 12:19 pm - DI 73)

Citations Affected: IC 6-1.1.

Synopsis: Property taxes. Provides that for all taxing units, the maximum amount allowed for an operating balance for a debt service fund is 50% for 2015 through 2018 of the budget estimate for annual debt service payments from the fund for debt originally incurred before July 1, 2014, and 10% on debt originally incurred after June 30, 2014, and for all debt after 2018. Permits a school corporation that experiences at least a 20% loss to the school corporation's transportation fund due to circuit breaker credits in 2014, 2015, or 2016 to use a proportional circuit breaker credit allocation for that year.

Effective: Upon passage; July 1, 2014.

**Head, Charbonneau, Zakas, Lanane,
Mishler, Skinner**

January 8, 2014, read first time and referred to Committee on Appropriations.
January 23, 2014, amended, reported favorably — Do Pass.

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January 24, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 163

A BILL FOR AN ACT to amend the Indiana Code concerning property taxes.

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

1 SECTION 1. IC 6-1.1-17-22 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 22. In determining the amount of the levy for a debt**
4 **service fund for an ensuing year, the maximum amount allowed for**
5 **an operating balance in the debt service fund is:**
6 (1) for ensuing years 2015 through 2018:
7 (A) ten percent (10%) of the budget estimate for the debt
8 service fund for the ensuing year for debt originally
9 incurred after June 30, 2014; and
10 (B) fifty percent (50%) of the budget estimate for the debt
11 service fund for the ensuing year for debt originally
12 incurred before July 1, 2014; and
13 (2) for an ensuing year after 2018, ten percent (10%) of the
14 budget estimate for the debt service fund for the ensuing year,
15 regardless of the date the debt was originally incurred.
16 SECTION 2. IC 6-1.1-20.6-9.9 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: **Sec. 9.9. (a)** A school corporation
 3 is eligible under this section for 2014, 2015, or 2016, if the school
 4 corporation's percentage computed under this subsection is at least
 5 twenty percent (20%) for its transportation fund levy for that year,
 6 as certified by the department of local government finance. A
 7 school corporation shall compute its percentage under this
 8 subsection as follows:

9 (1) Compute the amount of credits granted under this chapter
 10 against the school corporation's levy for the school
 11 corporation's transportation fund.

12 (2) Compute the school corporation's levy for the school
 13 corporation's transportation fund.

14 (3) Divide the amount computed under subdivision (1) by the
 15 amount computed under subdivision (2) and express it as a
 16 percentage.

17 The computation must be made by taking into account the
 18 requirements of section 9.8 of this chapter regarding protected
 19 taxes and the impact of credits granted under this chapter on the
 20 revenue to be distributed to the school corporation's transportation
 21 fund for the particular year.

22 (b) A school corporation that desires to be an eligible school
 23 corporation under this section must, before May 1 of the year for
 24 which it wants a determination, submit a written request for a
 25 certification by the department of local government finance that
 26 the computation of the school corporation's percentage under
 27 subsection (a) is correct. The department of local government
 28 finance shall, not later than June 1 of that year, determine whether
 29 the percentage computed by the school corporation is accurate and
 30 certify whether the school corporation is eligible under this section.

31 (c) For a school corporation that is certified as eligible under
 32 this section, the school corporation may allocate the effect of the
 33 credits granted under this chapter proportionately among all the
 34 school corporation's property tax funds, that are not exempt under
 35 section 7.5(b) or 7.5(c) of this chapter, based on the levy for each
 36 fund and without taking into account the requirements of section
 37 9.8 of this chapter regarding protected taxes.

38 SECTION 3. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 163, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning property taxes.

Page 1, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-17-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 22. In determining the amount of the levy for a debt service fund for an ensuing year, the maximum amount allowed for an operating balance in the debt service fund is:**

- (1) for ensuing years 2015 through 2018:**
 - (A) ten percent (10%) of the budget estimate for the debt service fund for the ensuing year for debt originally incurred after June 30, 2014; and**
 - (B) fifty percent (50%) of the budget estimate for the debt service fund for the ensuing year for debt originally incurred before July 1, 2014; and**
- (2) for an ensuing year after 2018, ten percent (10%) of the budget estimate for the debt service fund for the ensuing year, regardless of the date the debt was originally incurred.**

SECTION 2. IC 6-1.1-20.6-9.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.9. (a) A school corporation is eligible under this section for 2014, 2015, or 2016, if the school corporation's percentage computed under this subsection is at least twenty percent (20%) for its transportation fund levy for that year, as certified by the department of local government finance. A school corporation shall compute its percentage under this subsection as follows:**

- (1) Compute the amount of credits granted under this chapter against the school corporation's levy for the school corporation's transportation fund.**
- (2) Compute the school corporation's levy for the school corporation's transportation fund.**
- (3) Divide the amount computed under subdivision (1) by the amount computed under subdivision (2) and express it as a percentage.**

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The computation must be made by taking into account the requirements of section 9.8 of this chapter regarding protected taxes and the impact of credits granted under this chapter on the revenue to be distributed to the school corporation's transportation fund for the particular year.

(b) A school corporation that desires to be an eligible school corporation under this section must, before May 1 of the year for which it wants a determination, submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage under subsection (a) is correct. The department of local government finance shall, not later than June 1 of that year, determine whether the percentage computed by the school corporation is accurate and certify whether the school corporation is eligible under this section.

(c) For a school corporation that is certified as eligible under this section, the school corporation may allocate the effect of the credits granted under this chapter proportionately among all the school corporation's property tax funds, that are not exempt under section 7.5(b) or 7.5(c) of this chapter, based on the levy for each fund and without taking into account the requirements of section 9.8 of this chapter regarding protected taxes.

SECTION 3. An emergency is declared for this act."

Delete pages 2 through 3.

and when so amended that said bill do pass.

(Reference is to SB 163 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 12, Nays 0.

