

SENATE BILL No. 308

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-1.5-4; IC 12-20-21-3.2; IC 12-29-2-2; IC 20-46.

Synopsis: Property tax matters. Provides that when calculating the base rate for agricultural land for the January 1, 2017, assessment date and each assessment date thereafter, the department of local government finance (DLGF) shall do the following: (1) Use the six most recent years preceding the year in which the assessment date occurs (before the highest of those six years is eliminated when determining the rolling average). (2) Use a capitalization rate of at least 8%. (3) For purposes of calculating a base rate, recalculate certain prior base rates that are used in the rolling average by using a capitalization rate of at least 8%. Specifies that the adjustment of the base rate by the assessed value growth quotient applies only for the 2016 assessment date. Specifies that for purposes of the assessment of agricultural land, the soil productivity factors used for the March 1, 2011, assessment date shall be used for the January 1, 2016, assessment date and each assessment date thereafter. (Under current law, new soil productivity factors are to be used for assessment dates occurring after March 1, 2015.) Provides that an assessed value growth quotient is determined for each county. Provides that the assessed value growth quotient for a civil taxing unit in a particular county is the lesser of: (1) the quotient determined using a six year average of statewide income growth (as current law provides); or (2) the quotient determined using a six year average of assessed value growth in the county in which the particular civil taxing unit is located. Makes conforming changes. Increases the assessed value per acre of classified forest land, classified windbreaks, and classified filter strips from \$1 per acre to \$13.29 per acre for the January 1, 2017, assessment date. For assessment dates after January
(Continued next page)

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

Hershman

January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.



1, 2017, increases the assessed value by the annual percentage change in the consumer price index. Authorizes a county fiscal body to adopt an ordinance providing that the county auditor shall exclude and keep separate on the tax duplicate for taxes payable in a calendar year the net assessed value of tangible property that is necessary to enable the county to pay the expenses, as specified in the ordinance, that are likely to be incurred by the county assessor in defending appeals with respect to property located in the county. Specifies that property tax receipts that are attributable to an increase in the taxing unit's tax rate caused by such a reduction in the county's net assessed value shall be deposited in the county's property tax assessment appeals fund. Repeals provisions enacted in 2015 concerning the assessment of: (1) certain limited market or special purpose property; and (2) commercial nonincome producing real property. Provides that in addition to the factors under current law, the DLGF shall also provide for the classification of improvements on the basis of market segmentation. Specifies that the value in exchange of an improved property does not reflect the true tax value of the improved property if a market segmentation analysis indicates that purportedly comparable sale properties have a different market or submarket for the current use of the improved property. Specifies that a market segmentation analysis must be conducted in conformity with generally accepted appraisal principles and is not limited to the categories of markets and submarkets enumerated in the rules or guidance materials adopted by the DLGF. Provides that true tax value shall be determined under the rules of the DLGF (subject to the provisions of the property tax article), and that the DLGF's rules may include examples to illustrate true tax value. Specifies that true tax value does not mean the value of the property to the user. Specifies that the Indiana board of tax review (Indiana board) may, on its own motion, have a review appraisal prepared by an independent appraiser to review any appraisal submitted by a party to the hearing. Provides that for purposes of a review by the Indiana tax court or the Indiana supreme court of a final determination by the Indiana board on a petition for review of an assessment, the fact that a determination by the Indiana board that the value of the property: (1) is less than the value of the property included in the appraisal report that contains the highest proposed value of the property; and (2) is more than the value of the property included in the appraisal report that contains the lowest proposed value of the property; does not by itself constitute an arbitrary or capricious action by the Indiana board, an abuse of discretion by the Indiana board, or a determination by the Indiana board that is unsupported by substantial or reliable evidence. Specifies that when the Indiana board makes a determination on a petition for review of an assessment, the Indiana board may consider parts or elements of the evidence submitted by the parties to the proceeding and make a finding of fact that is different from a particular fact that is asserted by a party.



Introduced

Second Regular Session 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.

SENATE BILL No. 308

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 6-1.1-4-4.5, AS AMENDED BY P.L.112-2012,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2017]: Sec. 4.5. (a) The department of local government
4 finance shall adopt rules establishing a system for annually adjusting
5 the assessed value of real property to account for changes in value in
6 those years since a reassessment under section 4 or 4.2 of this chapter
7 for the property last took effect.
8 (b) Subject to subsection (e), the system must be applied to adjust
9 assessed values beginning with the 2006 assessment date and each year
10 thereafter that is not a year in which a reassessment under section 4 or
11 4.2 of this chapter for the property becomes effective.
12 (c) The rules adopted under subsection (a) must include the
13 following characteristics in the system:
14 (1) Promote uniform and equal assessment of real property within
15 and across classifications.



- 1 (2) Require that assessing officials:
- 2 (A) reevaluate the factors that affect value;
- 3 (B) express the interactions of those factors mathematically;
- 4 (C) use mass appraisal techniques to estimate updated property
- 5 values within statistical measures of accuracy; and
- 6 (D) provide notice to taxpayers of an assessment increase that
- 7 results from the application of annual adjustments.
- 8 (3) Prescribe procedures that permit the application of the
- 9 adjustment percentages in an efficient manner by assessing
- 10 officials.
- 11 (d) The department of local government finance must review and
- 12 certify each annual adjustment determined under this section.
- 13 (e) In making the annual determination of the base rate to satisfy the
- 14 requirement for an annual adjustment under subsection (c) for ~~current~~
- 15 **property taxes first due and payable in 2011 the January 1, 2017,**
- 16 **assessment date and each assessment date** thereafter, the department
- 17 of local government finance shall determine the base rate using the
- 18 methodology reflected in Table 2-18 of Book 1, Chapter 2 of the
- 19 department of local government finance's Real Property Assessment
- 20 Guidelines (as in effect on January 1, 2005), except that the department
- 21 shall adjust the methodology ~~to~~ **as follows:**
- 22 (1) Use a six (6) year rolling average adjusted under subdivision
- 23 ~~(2) (3)~~ **(3)** instead of a four (4) year rolling average. ~~and~~
- 24 **(2) Use the data from the six (6) most recent years preceding**
- 25 **the year in which the assessment date occurs, before one (1)**
- 26 **of those six (6) years is eliminated under subdivision (3) when**
- 27 **determining the rolling average.**
- 28 ~~(2) (3)~~ **(3)** Eliminate in the calculation of the rolling average the year
- 29 among the six (6) years for which the highest market value in use
- 30 of agricultural land is determined.
- 31 **(4) Use a capitalization rate of at least eight percent (8%).**
- 32 **(5) Do the following for purposes of calculating a base rate for**
- 33 **an assessment date occurring after December 31, 2016:**
- 34 **(A) Beginning with the base rate calculated for the March**
- 35 **1, 2009, assessment date, and ending with the base rate**
- 36 **calculated for the January 1, 2016, assessment date,**
- 37 **recalculate each annual base rate by using a capitalization**
- 38 **rate of at least eight percent (8%).**
- 39 **(B) Substitute the base rate recalculated for a particular**
- 40 **year under subdivision (1) for the base rate that actually**
- 41 **applied for that year.**
- 42 **A base rate recalculated under clause (A) applies only for the**



purposes of calculating a base rate for an assessment date occurring after December 31, 2016.

(f) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

SECTION 2. IC 6-1.1-4-13, AS AMENDED BY P.L.249-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) For purposes of this section, and in addition to any other land considered devoted to agricultural use, any:

(1) land enrolled in:

(A) a land conservation or reserve program administered by the United States Department of Agriculture;

(B) a land conservation program administered by the United States Department of Agriculture's Farm Service Agency; or

(C) a conservation reserve program or agricultural easement program administered by the United States Department of Agriculture's National Resources Conservation Service;

(2) land enrolled in the department of natural resources' classified forest and wildlands program (or any similar or successor program);

(3) land classified in the category of other agriculture use, as provided in the department of local government finance's real property assessment guidelines; or

(4) land devoted to the harvesting of hardwood timber;

is considered to be devoted to agricultural use. Agricultural use for purposes of this section includes but is not limited to the uses included in the definition of "agricultural use" in IC 36-7-4-616(b), such as the production of livestock or livestock products, commercial aquaculture, equine or equine products, land designated as a conservation reserve plan, pastureland, poultry or poultry products, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, bees and apiary products, tobacco, other agricultural crops, general farming operation purposes, native timber lands, or land that lays fallow. Agricultural use may not be determined by the size of a parcel or size of a part of the parcel. This subsection does not affect the assessment of any real property assessed under IC 6-1.1-6 (assessment of certain forest lands), IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7 (assessment of filter strips).



1 (c) The department of local government finance shall give written
2 notice to each county assessor of:

3 (1) the availability of the United States Department of
4 Agriculture's soil survey data; and

5 (2) the appropriate soil productivity factor for each type or
6 classification of soil shown on the United States Department of
7 Agriculture's soil survey map.

8 All assessing officials and the property tax assessment board of appeals
9 shall use the data in determining the true tax value of agricultural land.
10 However, notwithstanding the availability of new soil productivity
11 factors and the department of local government finance's notice of the
12 appropriate soil productivity factor for each type or classification of
13 soil shown on the United States Department of Agriculture's soil survey
14 map for the March 1, 2012, assessment date, the soil productivity
15 factors used for the March 1, 2011, assessment date shall be used for
16 the ~~March 1, 2012, assessment date~~, **January 1, 2016**, assessment date ~~the March 1,~~
17 ~~2013, assessment date, the March 1, 2014, assessment date, and the~~
18 ~~March 1, 2015, assessment date.~~ **New soil productivity factors shall be**
19 **used for assessment dates occurring after March 1, 2015: and each**
20 **assessment date thereafter.**

21 (d) The department of local government finance shall by rule
22 provide for the method for determining the true tax value of each parcel
23 of agricultural land.

24 (e) This section does not apply to land purchased for industrial or
25 commercial uses.

26 SECTION 3. IC 6-1.1-4-13.2, AS ADDED BY P.L.249-2015,
27 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 UPON PASSAGE]: Sec. 13.2. Notwithstanding the provisions of this
29 chapter and any real property assessment guidelines of the department
30 of local government finance, for the property tax assessment of
31 agricultural land for the 2015 assessment date, the statewide
32 agricultural land base rate value per acre used to determine the value
33 of agricultural land is two thousand fifty dollars (\$2,050). For the 2016
34 assessment date, ~~and each assessment date thereafter~~, the statewide
35 agricultural land base rate value per acre is equal to:

36 (1) the base rate value for the immediately preceding assessment
37 date; multiplied by

38 (2) the assessed value growth quotient determined under
39 IC 6-1.1-18.5-2 in the year including the assessment date.

40 This amount shall be substituted for any agricultural land base rate
41 value included in the Real Property Assessment Guidelines or any
42 other guidelines of the department of local government finance that



1 apply for those assessment dates.

2 SECTION 4. IC 6-1.1-4-43 IS REPEALED [EFFECTIVE
3 JANUARY 1, 2016 (RETROACTIVE)]. Sec. 43: (a) This section
4 applies to a real property assessment for:

5 (1) the 2014 assessment date and assessment dates thereafter; and

6 (2) real property that is:

7 (A) a limited market or special purpose property that would
8 commonly be regarded as a big box retail building under
9 standard appraisal practices and is at least fifty thousand
10 (50,000) square feet; and

11 (B) occupied by the original owner or by a tenant for which the
12 improvement was built.

13 (b) This section does not to apply to the assessment of multi-tenant
14 income producing shopping centers (as defined by the Appraisal
15 Institute Dictionary of Real Estate Appraisal (5th Edition));

16 (c) In determining the true tax value of real property under this
17 section which has improvements with an effective age is ten (10) years
18 or less under the rules of the department, assessing officials shall apply
19 the cost approach, less depreciation and obsolescence under the rules
20 and guidelines of the department. For purposes of this subsection, the
21 land value shall be assessed separately. The assessed value of the land
22 underlying the improvements assessed under this section may be
23 assessed or challenged based on the market value of comparable land.

24 (d) This subsection applies to a taxpayer that files a notice under
25 IC 6-1.1-15 after April 30, 2015, requesting a review of the assessment
26 of the taxpayer's real property that is subject to this section. If the
27 effective age of the improvements is ten (10) years or less under the
28 rules of the department, a taxpayer must provide to the appropriate
29 county or township assessing official information concerning the actual
30 construction costs for the real property. Notwithstanding IC 6-1.1-15,
31 if a taxpayer does not provide all relevant and reasonably available
32 information concerning the actual construction costs for the real
33 property before the hearing scheduled by the county property tax
34 assessment board of appeals regarding the assessment of the real
35 property, the appeal may not be reviewed until all the information is
36 provided. If a taxpayer does provide the information concerning the
37 actual construction costs for the real property and the construction costs
38 for the real property are greater than the cost values determined by
39 using the cost tables under the rules and guidelines of the department
40 of local government finance, then the for purposes of applying the cost
41 approach under subsection (b) or (c) the depreciation and obsolescence
42 shall be deducted from the construction costs rather than the than the



1 cost values determined by using the cost tables under the rules and
2 guidelines of the department of local government finance:

3 SECTION 5. IC 6-1.1-4-44 IS REPEALED [EFFECTIVE
4 JANUARY 1, 2016 (RETROACTIVE)]. Sec. 44. (a) This section
5 applies to a real property assessment of commercial nonincome
6 producing real property, including a sale-leaseback property, for:

- 7 (1) the 2014 assessment date and assessment dates thereafter; or
8 (2) any assessment date, if an assessment appeal is pending before
9 the county property tax assessment board of appeals or the board
10 of tax review.

11 (b) This section does not to apply to the assessment of multi-tenant
12 income producing shopping centers (as defined by the Appraisal
13 Institute Dictionary of Real Estate Appraisal (5th Edition)).

14 (c) As used in this section, "sale-leaseback" means a transaction in
15 which one (1) party sells a property to a buyer, and the buyer leases the
16 property back to the seller.

17 (d) In determining the true tax value of real property under this
18 section which has improvements with an effective age of ten (10) years
19 or less under the rules of the department, a comparable real property
20 sale may not be used if the comparable real property:

- 21 (1) has been vacant for more than one (1) year as of the
22 assessment date or in the case of industrial property vacant for
23 more than five (5) years;
24 (2) has significant restrictions placed on the use of the real
25 property by a recorded covenant, restriction, easement, or other
26 encumbrance on the use of the real property;
27 (3) was sold and is no longer used for the purpose, or a similar
28 purpose, for which the property was used by the original occupant
29 or tenant; or
30 (4) was not sold in an arm's length transaction.

31 SECTION 6. IC 6-1.1-6-14, AS AMENDED BY P.L.66-2006,
32 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2016]: Sec. 14. Land which is classified under this chapter as
34 native forest land, a forest plantation, or wildlands shall be assessed as
35 follows:

- 36 (1) At one dollar (\$1) thirteen dollars and twenty-nine cents
37 (\$13.29) per acre for general property taxation purposes, for the
38 January 1, 2017, assessment date.
39 (2) At the amount per acre determined in the following
40 STEPS for general property taxation purposes, for an
41 assessment date after January 1, 2017:

42 STEP ONE: Determine the amount per acre under this



1 section for the immediately preceding assessment date.
 2 **STEPTWO: Multiply the STEP ONE amount by the result**
 3 **of:**

4 **(A) one (1); plus**

5 **(B) the annual percentage change in the Consumer Price**
 6 **Index for All Urban Consumers published by the federal**
 7 **Bureau of Labor Statistics for the calendar year**
 8 **preceding the calendar year before the assessment date.**

9 SECTION 7. IC 6-1.1-6.2-9 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. **(a)** Land that is
 11 classified under this chapter as a windbreak shall be assessed as
 12 **follows:**

13 **(1) At one dollar (\$1) thirteen dollars and twenty-nine cents**
 14 **(\$13.29) per acre for general property taxation purposes, for the**
 15 **January 1, 2017, assessment date.**

16 **(2) At the amount per acre determined in the following**
 17 **STEPS for general property taxation purposes, for an**
 18 **assessment date after January 1, 2017:**

19 **STEP ONE: Determine the amount per acre under this**
 20 **section for the immediately preceding assessment date.**

21 **STEPTWO: Multiply the STEP ONE amount by the result**
 22 **of:**

23 **(A) one (1); plus**

24 **(B) the annual percentage change in the Consumer Price**
 25 **Index for All Urban Consumers published by the federal**
 26 **Bureau of Labor Statistics for the calendar year**
 27 **preceding the calendar year before the assessment date.**

28 **(b) However, Notwithstanding subsection (a), ditch assessments**
 29 **on the classified land shall be paid.**

30 SECTION 8. IC 6-1.1-6.7-9 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. **(a)** Land that is
 32 classified under this chapter as a filter strip shall be assessed as
 33 **follows:**

34 **(1) At one dollar (\$1) thirteen dollars and twenty-nine cents**
 35 **(\$13.29) per acre for general property taxation purposes, for the**
 36 **January 1, 2017, assessment date.**

37 **(2) At the amount per acre determined in the following**
 38 **STEPS for general property taxation purposes, for an**
 39 **assessment date after January 1, 2017:**

40 **STEP ONE: Determine the amount per acre under this**
 41 **section for the immediately preceding assessment date.**

42 **STEPTWO: Multiply the STEP ONE amount by the result**



1 of:

2 (A) one (1); plus

3 (B) the annual percentage change in the Consumer Price
4 Index for All Urban Consumers published by the federal
5 Bureau of Labor Statistics for the calendar year
6 preceding the calendar year before the assessment date.

7 (b) ~~However,~~ **Notwithstanding subsection (a)**, ditch assessments
8 on the classified land shall be paid.

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

17 (b) Money in a taxing unit's property tax assessment appeals fund
18 may be used only to pay the following:

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

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

23 (c) The balance in a taxing unit's property tax assessment appeals
24 fund may not exceed five percent (5%) of the amount budgeted by the
25 taxing unit for a particular year.

26 (d) Money deposited in a taxing unit's property tax assessment
27 appeals fund is not considered miscellaneous revenue. Both the taxing
28 unit and the department of local government finance shall disregard
29 any balance in the taxing unit's property tax assessment appeals fund
30 in the determination of the taxing unit's property tax levy, property tax
31 rate, and budget (except for appropriations for the purposes permitted
32 by subsection (b)) for a particular calendar year.

33 SECTION 10. IC 6-1.1-15-10.7 IS ADDED TO THE INDIANA
34 CODE AS A NEW SECTION TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2016]: **Sec. 10.7. (a) The county fiscal body**
36 **may adopt an ordinance to provide that a part of the county's net**
37 **assessed value of tangible property shall be excluded from the tax**
38 **duplicate under IC 6-1.1-17-0.5(g). The ordinance must specify that**
39 **the county auditor shall exclude the amount of net assessed value**
40 **that is necessary to enable the county to pay the expenses, as**
41 **specified in the ordinance, that are likely to be incurred by the**
42 **county assessor in defending appeals under this chapter with**



1 **respect to property located in the county.**

2 **(b) Property tax receipts that are attributable to an increase in**
 3 **the taxing unit's tax rate caused by a reduction in the net assessed**
 4 **value under IC 6-1.1-17-0.5(g) shall be deposited in the county's**
 5 **property tax assessment appeals fund established under section**
 6 **10.5 of this chapter and used to pay expenses incurred by the**
 7 **county assessor in defending appeals under this chapter with**
 8 **respect to property located in the county.**

9 SECTION 11. IC 6-1.1-17-0.5, AS AMENDED BY P.L.137-2012,
 10 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2016]: Sec. 0.5. (a) For purposes of this section, "net assessed
 12 value" means assessed value after the application of deductions,
 13 exemptions, and abatements.

14 (b) The county auditor may exclude and keep separate on the tax
 15 duplicate for taxes payable in a calendar year the net assessed value of
 16 tangible property that meets the following conditions:

17 (1) The net assessed value of the property is at least nine percent
 18 (9%) of the net assessed value of all tangible property subject to
 19 taxation by a taxing district.

20 (2) The property is or has been part of a bankruptcy estate that is
 21 subject to protection under the federal bankruptcy code.

22 (3) The owner of the property has discontinued all business
 23 operations on the property.

24 (4) There is a high probability that the taxpayer will not pay
 25 property taxes due on the property in the following year.

26 (c) This section does not limit, restrict, or reduce in any way the
 27 property tax liability on the property.

28 (d) For each taxing district located in the county, the county auditor
 29 may reduce for a calendar year the taxing district's net assessed value
 30 that is certified to the department of local government finance under
 31 section 1 of this chapter and used to set tax rates for the taxing district
 32 for taxes first due and payable in the immediately succeeding calendar
 33 year. The county auditor may reduce a taxing district's net assessed
 34 value under this subsection only to enable the taxing district to absorb
 35 the effects of reduced property tax collections in the immediately
 36 succeeding calendar year that are expected to result from any or a
 37 combination of the following:

38 (1) Successful appeals of the assessed value of property located
 39 in the taxing district.

40 (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that
 41 result from the granting of applications for the standard deduction
 42 for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after



1 the county auditor certifies net assessed value as described in this
2 section.

3 (3) Deductions that result from the granting of applications for
4 deductions for the calendar year under IC 6-1.1-12-44 after the
5 county auditor certifies net assessed value as described in this
6 section.

7 (4) Reassessments of real property under IC 6-1.1-4-11.5.
8 Not later than December 31 of each year, the county auditor shall send
9 a certified statement, under the seal of the board of county
10 commissioners, to the fiscal officer of each political subdivision of the
11 county and to the department of local government finance. The
12 certified statement must list any adjustments to the amount of the
13 reduction under this subsection and the information submitted under
14 section 1 of this chapter that are necessary. The county auditor shall
15 keep separately on the tax duplicate the amount of any reductions made
16 under this subsection. The maximum amount of the reduction
17 authorized under this subsection is determined under subsection (e).

18 (e) The amount of the reduction in a taxing district's net assessed
19 value for a calendar year under subsection (d) may not exceed two
20 percent (2%) of the net assessed value of tangible property subject to
21 assessment in the taxing district in that calendar year.

22 (f) The amount of a reduction under subsection (d) may not be
23 offered in a proceeding before the:

- 24 (1) county property tax assessment board of appeals;
- 25 (2) Indiana board; or
- 26 (3) Indiana tax court;

27 as evidence that a particular parcel has been improperly assessed.

28 **(g) If a county fiscal body adopts an ordinance under**
29 **IC 6-1.1-15-10.7, the county auditor shall exclude and keep**
30 **separate on the tax duplicate for taxes payable in a calendar year**
31 **the net assessed value of tangible property that is necessary to**
32 **enable the county to pay the expenses, as specified in the ordinance,**
33 **that are likely to be incurred by the county assessor in defending**
34 **appeals with respect to property located in the county.**

35 SECTION 12. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,
36 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 UPON PASSAGE]: Sec. 20.3. **(a) As used in this section, "assessed**
38 **value growth quotient" refers to the assessed value growth**
39 **quotient determined under IC 6-1.1-18.5-2(d) for the county in**
40 **which the public library is located.**

41 ~~(a)~~ **(b)** This section applies only to the governing body of a public
42 library that:



- 1 (1) is not comprised of a majority of officials who are elected to
- 2 serve on the governing body; and
- 3 (2) has a percentage increase in the proposed budget for the
- 4 taxing unit for the ensuing calendar year that is more than the
- 5 result of:
- 6 (A) the assessed value growth quotient ~~determined under~~
- 7 ~~IC 6-1.1-18.5-2~~ for the ensuing calendar year; minus
- 8 (B) one (1).

9 For purposes of this section, an individual who qualifies to be
 10 appointed to a governing body or serves on a governing body because
 11 of the individual's status as an elected official of another taxing unit
 12 shall be treated as an official who was not elected to serve on the
 13 governing body.

14 ~~(b)~~ (c) This section does not apply to an entity whose tax levies are
 15 subject to review and modification by a city-county legislative body
 16 under IC 36-3-6-9.

- 17 ~~(c)~~ (d) If:
- 18 (1) the assessed valuation of a public library is entirely contained
 - 19 within a city or town; or
 - 20 (2) the assessed valuation of a public library is not entirely
 - 21 contained within a city or town but the public library was
 - 22 originally established by the city or town;

23 the governing body shall submit its proposed budget and property tax
 24 levy to the city or town fiscal body in the manner prescribed by the
 25 department of local government finance before September 2 of a year.
 26 However, the governing body shall submit its proposed budget and
 27 property tax levy to the county fiscal body in the manner provided in
 28 subsection ~~(d)~~, (e), rather than to the city or town fiscal body, if more
 29 than fifty percent (50%) of the parcels of real property within the
 30 jurisdiction of the public library are located outside the city or town.

31 ~~(d)~~ (e) If subsection ~~(c)~~ (d) does not apply, the governing body of
 32 the public library shall submit its proposed budget and property tax
 33 levy to the county fiscal body in the county where the public library has
 34 the most assessed valuation. The proposed budget and levy shall be
 35 submitted to the county fiscal body in the manner prescribed by the
 36 department of local government finance before September 2 of a year.

37 ~~(e)~~ (f) The fiscal body of the city, town, or county (whichever
 38 applies) shall review each budget and proposed tax levy and adopt a
 39 final budget and tax levy for the public library. The fiscal body may
 40 reduce or modify but not increase the proposed budget or tax levy.

41 ~~(f)~~ (g) If a public library fails to file the information required in
 42 subsection ~~(c)~~ (d) or ~~(d)~~, (e), whichever applies, with the appropriate



1 fiscal body by the time prescribed by this section, the most recent
 2 annual appropriations and annual tax levy of that public library are
 3 continued for the ensuing budget year.

4 ~~(g)~~ **(h)** If the appropriate fiscal body fails to complete the
 5 requirements of subsection ~~(e)~~ **(f)** before the adoption deadline in
 6 section 5 of this chapter for any public library subject to this section,
 7 the most recent annual appropriations and annual tax levy of the city,
 8 town, or county, whichever applies, are continued for the ensuing
 9 budget year.

10 SECTION 13. IC 6-1.1-18-5, AS AMENDED BY P.L.184-2015,
 11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 UPON PASSAGE]: Sec. 5. (a) If the proper officers of a political
 13 subdivision desire to appropriate more money for a particular year than
 14 the amount prescribed in the budget for that year as finally determined
 15 under this article, they shall give notice of their proposed additional
 16 appropriation. The notice shall state the time and place at which a
 17 public hearing will be held on the proposal. The notice shall be given
 18 once in accordance with IC 5-3-1-2(b).

19 (b) If the additional appropriation by the political subdivision is
 20 made from a fund that receives:

21 (1) distributions from the motor vehicle highway account
 22 established under IC 8-14-1-1 or the local road and street account
 23 established under IC 8-14-2-4; or

24 (2) revenue from property taxes levied under IC 6-1.1;

25 the political subdivision must report the additional appropriation to the
 26 department of local government finance. If the additional appropriation
 27 is made from a fund described under this subsection, subsections (f),
 28 (g), (h), and (i) apply to the political subdivision.

29 (c) However, if the additional appropriation is not made from a fund
 30 described under subsection (b), subsections (f), (g), (h), and (i) do not
 31 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
 32 not apply to an additional appropriation made from the cumulative
 33 bridge fund if the appropriation meets the requirements under
 34 IC 8-16-3-3(c).

35 (d) A political subdivision may make an additional appropriation
 36 without approval of the department of local government finance if the
 37 additional appropriation is made from a fund that is not described
 38 under subsection (b). However, the fiscal officer of the political
 39 subdivision shall report the additional appropriation to the department
 40 of local government finance.

41 (e) After the public hearing, the proper officers of the political
 42 subdivision shall file a certified copy of their final proposal and any



- 1 other relevant information to the department of local government
2 finance.
- 3 (f) When the department of local government finance receives a
4 certified copy of a proposal for an additional appropriation under
5 subsection (e), the department shall determine whether sufficient funds
6 are available or will be available for the proposal. The determination
7 shall be made in writing and sent to the political subdivision not more
8 than fifteen (15) days after the department of local government finance
9 receives the proposal.
- 10 (g) In making the determination under subsection (f), the
11 department of local government finance shall limit the amount of the
12 additional appropriation to revenues available, or to be made available,
13 which have not been previously appropriated.
- 14 (h) If the department of local government finance disapproves an
15 additional appropriation under subsection (f), the department shall
16 specify the reason for its disapproval on the determination sent to the
17 political subdivision.
- 18 (i) A political subdivision may request a reconsideration of a
19 determination of the department of local government finance under this
20 section by filing a written request for reconsideration. A request for
21 reconsideration must:
- 22 (1) be filed with the department of local government finance
23 within fifteen (15) days of the receipt of the determination by the
24 political subdivision; and
 - 25 (2) state with reasonable specificity the reason for the request.
- 26 The department of local government finance must act on a request for
27 reconsideration within fifteen (15) days of receiving the request.
- 28 (j) This subsection applies to an additional appropriation by a
29 political subdivision that must have the political subdivision's annual
30 appropriations and annual tax levy adopted by a city, town, or county
31 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or
32 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,
33 town, or county that adopted the political subdivision's annual
34 appropriation and annual tax levy must adopt the additional
35 appropriation by ordinance before the department of local government
36 finance may approve the additional appropriation.
- 37 (k) **As used in this subsection, "assessed value growth quotient"**
38 **refers to the assessed value growth quotient determined under**
39 **IC 6-1.1-18.5-2(d) for the county in which the public library is**
40 **located.** This subsection applies to a public library that:
- 41 (1) is required to submit the public library's budgets, tax rates, and
42 tax levies for nonbinding review under IC 6-1.1-17-3.5; and



1 (2) is not required to submit the public library's budgets, tax rates,
 2 and tax levies for binding review and approval under
 3 IC 6-1.1-17-20.

4 If a public library subject to this subsection proposes to make an
 5 additional appropriation for a year, and the additional appropriation
 6 would result in the budget for the library for that year increasing (as
 7 compared to the previous year) by a percentage that is greater than the
 8 result of the assessed value growth quotient ~~determined under~~
 9 ~~IC 6-1.1-18.5-2~~ for the calendar year minus one (1), the additional
 10 appropriation must first be approved by the city, town, or county fiscal
 11 body described in ~~IC 6-1.1-17-20.3(e)~~ **IC 6-1.1-17-20.3(d)** or
 12 ~~IC 6-1.1-17-20(d)~~, **IC 6-1.1-17-20.3(e)**, as appropriate.

13 SECTION 14. IC 6-1.1-18.5-2, AS AMENDED BY P.L.230-2013,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 UPON PASSAGE]: Sec. 2. **(a) As used in this section, "certified net**
 16 **assessed value" refers to the net assessed value for a county that is**
 17 **certified by the county auditor to fiscal officers and the department**
 18 **of local government finance under IC 6-1.1-17-1.**

19 **(a) (b)** As used in this section, "Indiana nonfarm personal income"
 20 means the estimate of total nonfarm personal income for Indiana in a
 21 calendar year as computed by the federal Bureau of Economic Analysis
 22 using any actual data for the calendar year and any estimated data
 23 determined appropriate by the federal Bureau of Economic Analysis.

24 **(b) (c) This subsection applies to the determination of a civil**
 25 **taxing unit's maximum permissible ad valorem property tax levy**
 26 **for a calendar year ending before January 1, 2017.** For purposes of
 27 determining a civil taxing unit's maximum permissible ad valorem
 28 property tax levy for an ensuing calendar year, the civil taxing unit
 29 shall use the assessed value growth quotient determined in the last
 30 STEP of the following STEPS:

31 STEP ONE: For each of the six (6) calendar years immediately
 32 preceding the year in which a budget is adopted under
 33 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana
 34 nonfarm personal income for the calendar year by the Indiana
 35 nonfarm personal income for the calendar year immediately
 36 preceding that calendar year, rounding to the nearest
 37 one-thousandth (0.001).

38 STEP TWO: Determine the sum of the STEP ONE results.

39 STEP THREE: Divide the STEP TWO result by six (6), rounding
 40 to the nearest one-thousandth (0.001).

41 STEP FOUR: Determine the lesser of the following:

42 (A) The STEP THREE quotient.



1 (B) One and six-hundredths (1.06).

2 (d) This subsection applies to the determination of a civil taxing
3 unit's maximum permissible ad valorem property tax levy for a
4 calendar year beginning after December 31, 2016. For purposes of
5 determining a civil taxing unit's maximum permissible ad valorem
6 property tax levy for an ensuing calendar year, the civil taxing unit
7 shall use the assessed value growth quotient determined in the last
8 STEP of the following STEPS:

9 STEP ONE: For each of the six (6) calendar years
10 immediately preceding the year in which a budget is adopted
11 under IC 6-1.1-17-5 for the ensuing calendar year, divide the
12 Indiana nonfarm personal income for the calendar year by
13 the Indiana nonfarm personal income for the calendar year
14 immediately preceding that calendar year, rounding to the
15 nearest one-thousandth (0.001).

16 STEP TWO: Determine the sum of the STEP ONE results.

17 STEP THREE: Divide the STEP TWO result by six (6),
18 rounding to the nearest one-thousandth (0.001).

19 STEP FOUR: Determine the lesser of the following:

20 (A) The STEP THREE quotient.

21 (B) One and six-hundredths (1.06).

22 STEP FIVE: For each of the six (6) calendar years
23 immediately preceding the year in which a budget is adopted
24 under IC 6-1.1-17-5 for the ensuing calendar year, divide the
25 certified net assessed value located in the county in which the
26 civil taxing unit is located for the calendar year by the
27 certified net assessed value located in that county for the
28 immediately preceding calendar year, rounding to the nearest
29 one-thousandth (0.001).

30 STEP SIX: Determine the sum of the STEP FIVE results.

31 STEP SEVEN: Divide the STEP SIX result by six (6),
32 rounding to the nearest one-thousandth (0.001).

33 STEP EIGHT: Determine the lesser of the following:

34 (A) The STEP SEVEN quotient.

35 (B) The STEP FOUR result.

36 (e) The following apply in the case of a civil taxing unit that
37 contains territory in more than one (1) county:

38 (1) A separate calculation shall be done under STEP FIVE
39 through STEP SEVEN of subsection (d) for each county in
40 which the civil taxing unit contains territory.

41 (2) In making the determination under STEP EIGHT of
42 subsection (d), the quotient to be used in STEP EIGHT (A) of



1 **subsection (d) is the largest of the results that are calculated**
 2 **as provided in subdivision (1).**

3 SECTION 15. IC 6-1.1-18.5-3, AS AMENDED BY P.L.153-2014,
 4 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 3. (a) A civil taxing unit may not impose an
 6 ad valorem property tax levy for an ensuing calendar year that exceeds
 7 the amount determined in the last STEP of the following STEPS:

8 STEP ONE: Determine the civil taxing unit's maximum
 9 permissible ad valorem property tax levy for the preceding
 10 calendar year.

11 STEP TWO: Multiply the amount determined in STEP ONE by
 12 the amount determined in the last STEP of section ~~2(b)~~ **2(c) or**
 13 **2(d)** of this chapter, **whichever is applicable.**

14 STEP THREE: Determine the lesser of one and fifteen hundredths
 15 (1.15) or the quotient (rounded to the nearest ten-thousandth
 16 (0.0001)), of the assessed value of all taxable property subject to
 17 the civil taxing unit's ad valorem property tax levy for the ensuing
 18 calendar year, divided by the assessed value of all taxable
 19 property that is subject to the civil taxing unit's ad valorem
 20 property tax levy for the ensuing calendar year and that is
 21 contained within the geographic area that was subject to the civil
 22 taxing unit's ad valorem property tax levy in the preceding
 23 calendar year.

24 STEP FOUR: Determine the greater of the amount determined in
 25 STEP THREE or one (1).

26 STEP FIVE: Multiply the amount determined in STEP TWO by
 27 the amount determined in STEP FOUR.

28 STEP SIX: Add the amount determined under STEP TWO to the
 29 amount of an excessive levy appeal granted under section 13 of
 30 this chapter for the ensuing calendar year.

31 STEP SEVEN: Determine the greater of STEP FIVE or STEP
 32 SIX.

33 (b) ~~This subsection applies only to property taxes first due and~~
 34 ~~payable after December 31, 2007.~~ This subsection applies only to a
 35 civil taxing unit that is located in a county ~~for which:~~

36 (1) ~~a county adjusted gross income tax rate is first imposed or is~~
 37 ~~increased in a particular year under IC 6-3.5-1.1-24; or~~

38 (2) ~~a county option income tax rate is first imposed or is increased~~
 39 ~~in a particular year under IC 6-3.5-6-30;~~

40 ~~to provide property tax relief in the county: that is covered by~~
 41 **IC 6-3.6-11-1.** Notwithstanding any provision in this section, any other
 42 section of this chapter, or IC 12-20-21-3.2, and except as provided in



1 subsection (c), the maximum permissible ad valorem property tax levy
 2 calculated under this section for the ensuing calendar year for a civil
 3 taxing unit subject to this section is equal to the civil taxing unit's
 4 maximum permissible ad valorem property tax levy for the current
 5 calendar year.

6 (c) ~~This subsection applies only to property taxes first due and~~
 7 ~~payable after December 31, 2007.~~ In the case of a civil taxing unit that:

8 (1) is partially located in a county for which a county adjusted
 9 gross income tax rate is first imposed or is increased in a
 10 particular year under IC 6-3.5-1.1-24 or a county option income
 11 tax rate is first imposed or is increased in a particular year under
 12 IC 6-3.5-6-30 to provide property tax relief in the county; **that is**
 13 **covered by IC 6-3.6-11-1;** and

14 (2) is partially located in a county that is not described in
 15 subdivision (1);

16 the department of local government finance shall, notwithstanding
 17 subsection (b), adjust the portion of the civil taxing unit's maximum
 18 permissible ad valorem property tax levy that is attributable (as
 19 determined by the department of local government finance) to the
 20 county or counties described in subdivision (2). The department of
 21 local government finance shall adjust this portion of the civil taxing
 22 unit's maximum permissible ad valorem property tax levy so that,
 23 notwithstanding subsection (b), this portion is allowed to increase as
 24 otherwise provided in this section. If the department of local
 25 government finance increases the civil taxing unit's maximum
 26 permissible ad valorem property tax levy under this subsection, any
 27 additional property taxes imposed by the civil taxing unit under the
 28 adjustment shall be paid only by the taxpayers in the county or counties
 29 described in subdivision (2).

30 SECTION 16. IC 6-1.1-31-6, AS AMENDED BY P.L.154-2006,
 31 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 6. (a) With respect to the
 33 assessment of real property, the rules of the department of local
 34 government finance shall provide for:

35 (1) the classification of land on the basis of:

36 (i) ~~(A)~~ (A) acreage;

37 (ii) ~~(B)~~ (B) lots;

38 (iii) ~~(C)~~ (C) size;

39 (iv) ~~(D)~~ (D) location;

40 (v) ~~(E)~~ (E) use;

41 (vi) ~~(F)~~ (F) productivity or earning capacity;

42 (vii) ~~(G)~~ (G) applicable zoning provisions;



- 1 (viii) **(H)** accessibility to highways, sewers, and other public
 2 services or facilities; and
 3 (ix) **(I)** any other factor that the department determines by rule
 4 is just and proper; and
 5 (2) the classification of improvements on the basis of:
 6 (i) **(A)** size;
 7 (ii) **(B)** location;
 8 (iii) **(C)** use;
 9 (iv) **(D)** type and character of construction;
 10 (v) **(E)** age;
 11 (vi) **(F)** condition;
 12 (vii) **(G)** cost of reproduction; **and**
 13 **(H) market segmentation; and**
 14 (viii) **(I)** any other factor that the department determines by
 15 rule is just and proper.
- 16 (b) With respect to the assessment of real property, the rules of the
 17 department of local government finance shall include instructions for
 18 determining:
 19 (1) the proper classification of real property;
 20 (2) the size of real property;
 21 (3) the effects that location and use have on the value of real
 22 property;
 23 (4) the productivity or earning capacity of:
 24 (A) agricultural land; and
 25 (B) real property regularly used to rent or otherwise furnish
 26 residential accommodations for periods of thirty (30) days or
 27 more;
 28 (5) sales data for generally comparable properties; and
 29 (6) the true tax value of real property based on the factors listed
 30 in this subsection and any other factor that the department
 31 determines by rule is just and proper.
- 32 (c) With respect to the assessment of real property, true tax value
 33 does not mean fair market value. ~~Subject to this article, true tax value~~
 34 ~~is the value determined under the rules of the department of local~~
 35 ~~government finance.~~
- 36 (d) **The value in exchange of an improved property does not**
 37 **reflect the true tax value of the improved property if a market**
 38 **segmentation analysis indicates that purportedly comparable sale**
 39 **properties have a different market or submarket for the current**
 40 **use of the improved property. Any market segmentation analysis**
 41 **must be conducted in conformity with generally accepted appraisal**
 42 **principles and is not limited to the categories of markets and**



1 submarkets enumerated in the rules or guidance materials adopted
2 by the department of local government finance.

3 (e) True tax value does not mean the value of the property to the
4 user.

5 (f) Subject to this article, true tax value shall be determined
6 under the rules of the department of local government finance. The
7 department's rules may include examples to illustrate true tax
8 value.

9 SECTION 17. IC 6-1.5-4-3 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2016]: **Sec. 3. (a) The Indiana board may do the following in a
12 hearing on a petition for review of an assessment if the Indiana
13 board has admitted into evidence one (1) or more appraisal reports
14 offered by a party:**

15 (1) The Indiana board may, on its own motion, have a review
16 appraisal prepared by an independent appraiser to review
17 any appraisal submitted by a party to the hearing. The review
18 appraisal must be conducted according to the Uniform
19 Standards of Professional Appraisal Practice and must
20 ascertain whether the value opinion specified in the appraisal
21 that is reviewed is reasonable and supported by the facts
22 included in that appraisal, as well as by other available
23 information.

24 (2) The Indiana board may consider a review appraisal under
25 subdivision (1) when making its determination on the petition
26 for review of the assessment.

27 (b) When making a determination on a petition for review of an
28 assessment, the Indiana board shall base its determination on
29 evidence on the record in the proceeding and on matters officially
30 noticed in the proceeding. However, the Indiana board may
31 consider parts or elements of the evidence submitted by the parties
32 to the proceeding and make a finding of fact that is different from
33 a particular fact that is asserted by a party.

34 SECTION 18. IC 6-1.5-4-4 IS ADDED TO THE INDIANA CODE
35 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
36 1, 2016]: **Sec. 4. This section applies if the Indiana board in a
37 hearing on a petition for review of an assessment has admitted into
38 evidence two (2) or more appraisal reports offered by the parties
39 to the hearing. For purposes of a review by the Indiana tax court
40 or the Indiana supreme court of a final determination by the
41 Indiana board on a petition for review of an assessment, the fact
42 that a determination by the Indiana board that the value of the**



1 **property:**

2 **(1) is less than the value of the property included in the**
 3 **appraisal report that contains the highest proposed value of**
 4 **the property; and**

5 **(2) is more than the value of the property included in the**
 6 **appraisal report that contains the lowest proposed value of**
 7 **the property;**

8 **does not by itself constitute an arbitrary or capricious action by the**
 9 **Indiana board, an abuse of discretion by the Indiana board, or a**
 10 **determination by the Indiana board that is unsupported by**
 11 **substantial or reliable evidence.**

12 SECTION 19. IC 12-20-21-3.2, AS AMENDED BY P.L.249-2015,
 13 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 3.2. **(a) As used in this section, "assessed**
 15 **value growth quotient" refers to:**

16 **(1) the assessed value growth quotient determined under**
 17 **IC 6-1.1-18.5-2(c) for purposes of any calculation required by**
 18 **this section for a tax levy collected in a calendar year ending**
 19 **before January 1, 2017; and**

20 **(2) the assessed value growth quotient determined under**
 21 **IC 6-1.1-18.5-2(d) for the county in which the township is**
 22 **located for purposes of any calculation required by this**
 23 **section for a tax levy collected in a calendar year beginning**
 24 **after December 31, 2016.**

25 **(a) (b) This section applies only to a township if the township's**
 26 **township assistance property tax rate (as defined in**
 27 **IC 6-1.1-20.3-6.7(a)) for property taxes first due and payable in 2013**
 28 **or any year thereafter is more than the result of:**

29 **(1) the statewide average township assistance property tax rate (as**
 30 **determined by the department of local government finance) for**
 31 **property taxes first due and payable in the preceding year;**
 32 **multiplied by**

33 **(2) twelve (12).**

34 **(b) (c) Notwithstanding any other law, beginning with property**
 35 **taxes first due and payable in the year following the year in which this**
 36 **section first applies to the township, as provided in subsection (a); (b),**
 37 **the department of local government finance shall do the following in**
 38 **the case of a township subject to this section:**

39 **(1) Remove the township assistance property tax levy from the**
 40 **maximum permissible ad valorem property tax levy for the**
 41 **township's general fund.**

42 **(2) Require the township to separate its township assistance**



1 property tax levy into the following two (2) property tax levies:
 2 (A) A township assistance benefits property tax levy.
 3 (B) A township assistance administration property tax levy.
 4 (3) Calculate a separate maximum permissible ad valorem
 5 property tax levy under IC 6-1.1-18.5 for each of the township's
 6 property tax levies described in subdivision (2).
 7 ~~(c)~~ (d) The department of local government finance shall, for
 8 property taxes first due and payable in the year following the year in
 9 which this section first applies to the township, as provided in
 10 subsection ~~(a)~~; (b), determine the initial maximum permissible ad
 11 valorem property tax levy under IC 6-1.1-18.5 for a township's
 12 township assistance administration property tax levy.
 13 ~~(d)~~ (e) The initial maximum permissible ad valorem property tax
 14 levy under IC 6-1.1-18.5 for a township's township assistance benefits
 15 property tax levy for property taxes first due and payable in the year
 16 following the year in which this section first applies to the township, as
 17 provided in subsection ~~(a)~~; (b), is equal to the amount determined in
 18 the following STEPS:
 19 STEP ONE: Determine the result of:
 20 (A) the township's township assistance property tax levy for
 21 property taxes first due and payable in the year in which this
 22 section first applies to the township, as provided in subsection
 23 ~~(a)~~; (b); minus
 24 (B) the result determined by the department of local
 25 government finance for the township under subsection ~~(c)~~; (d).
 26 STEP TWO: Multiply the STEP ONE result by the assessed value
 27 growth quotient ~~under IC 6-1.1-18.5-2~~ that is applicable to the
 28 township for property taxes first due and payable in the year
 29 following the year in which this section first applies to the
 30 township, as provided in subsection ~~(a)~~; (b).
 31 ~~(e)~~ (f) The maximum permissible ad valorem property tax levy for
 32 the township's general fund shall be adjusted as determined in the
 33 following STEPS:
 34 STEP ONE: Multiply:
 35 (A) the township's township assistance property tax levy for
 36 property taxes first due and payable in the year in which this
 37 section first applies to the township, as provided in subsection
 38 ~~(a)~~; (b); by
 39 (B) the assessed value growth quotient ~~under IC 6-1.1-18.5-2~~
 40 that is applicable to the township for property taxes first due
 41 and payable in the year following the year in which this
 42 section first applies to the township, as provided in subsection



1 ~~(a)~~: **(b)**.
 2 STEP TWO: Subtract the STEP ONE result from the maximum
 3 permissible ad valorem property tax levy that would otherwise
 4 apply for the township's general fund.

5 The adjustment under this subsection applies beginning with property
 6 taxes first due and payable in the year following the year in which this
 7 section first applies to the township, as provided in subsection ~~(a)~~: **(b)**.

8 ~~(f)~~ **(g)** The property taxes collected from a township's township
 9 assistance administration property tax levy:

- 10 (1) shall be deposited into a separate fund;
 11 (2) shall be used only for the administration of township
 12 assistance within the township; and
 13 (3) shall not be used to pay township assistance to any person.

14 ~~(g)~~ **(h)** The property taxes collected from a township's township
 15 assistance benefits property tax levy:

- 16 (1) shall be deposited into a separate fund;
 17 (2) shall be used only for the purpose of paying township
 18 assistance to eligible recipients; and
 19 (3) shall not be used to pay for the administration of township
 20 assistance within the township.

21 ~~(h)~~ **(i)** Except as provided in this section, references in the Indiana
 22 Code to a township assistance property tax levy shall, in the case of a
 23 township subject to this section, be considered a reference to the
 24 township's township assistance benefits property tax levy and the
 25 township's township assistance administration property tax levy.

26 SECTION 20. IC 12-29-2-2, AS AMENDED BY P.L.153-2014,
 27 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 UPON PASSAGE]: Sec. 2. (a) A county shall fund the operation of
 29 community mental health centers in the amount determined under
 30 subsection (b), unless a lower tax levy amount will be adequate to
 31 fulfill the county's financial obligations under this chapter in any of the
 32 following situations:

- 33 (1) If the total population of the county is served by one (1)
 34 center.
 35 (2) If the total population of the county is served by more than one
 36 (1) center.
 37 (3) If the partial population of the county is served by one (1)
 38 center.
 39 (4) If the partial population of the county is served by more than
 40 one (1) center.

41 **(b) Except as provided in subsection (c), the amount of funding**
 42 under subsection (a) for taxes first due and payable in a calendar year



- 1 is the following:
- 2 (1) For 2004, the amount is the amount determined under STEP
- 3 THREE of the following formula:
- 4 STEP ONE: Determine the amount that was levied within the
- 5 county to comply with this section from property taxes first
- 6 due and payable in 2002.
- 7 STEP TWO: Multiply the STEP ONE result by the county's
- 8 assessed value growth quotient for the ensuing year 2003, as
- 9 determined under IC 6-1.1-18.5-2.
- 10 STEP THREE: Multiply the STEP TWO result by the county's
- 11 assessed value growth quotient for the ensuing year 2004, as
- 12 determined under IC 6-1.1-18.5-2.
- 13 (2) Except as provided in subsection (c); for 2005 and each year
- 14 thereafter, the result equal to:
- 15 (A) (1) the amount that was levied in the county to comply with
- 16 this section from property taxes first due and payable in the
- 17 calendar year immediately preceding the ensuing calendar year;
- 18 multiplied by
- 19 (B) (2) the county's assessed value growth quotient for the
- 20 ensuing calendar year, as determined under IC 6-1.1-18.5-2.
- 21 **IC 6-1.1-18.5-2(d).**
- 22 (c) This subsection applies only to property taxes first due and
- 23 payable after December 31, 2007. This subsection applies only to a
- 24 county for which:
- 25 (1) a county adjusted gross income tax rate is first imposed or is
- 26 increased in a particular year under IC 6-3.5-1.1-24; or
- 27 (2) a county option income tax rate is first imposed or is increased
- 28 in a particular year under IC 6-3.5-6-30;
- 29 to provide property tax relief that provides a levy freeze in the county
- 30 as provided in IC 6-3.6-11-1. Notwithstanding any provision in this
- 31 section or any other section of this chapter, for a county subject to this
- 32 subsection, the county's maximum property tax levy under this section
- 33 to fund the operation of community mental health centers for the
- 34 ensuing calendar year is equal to the county's maximum property tax
- 35 levy to fund the operation of community mental health centers for the
- 36 current calendar year.
- 37 (d) Except as provided in subsection (h), the county shall pay to the
- 38 division of mental health and addiction the part of the funding
- 39 determined under subsection (b) that is appropriated solely for funding
- 40 the operations of a community health center. The funding required
- 41 under this section for operations of a community health center shall be
- 42 paid by the county to the division of mental health and addiction. These



1 funds shall be used solely for satisfying the non-federal share of
 2 medical assistance payments to community mental health centers
 3 serving the county for:

- 4 (1) allowable administrative services; and
- 5 (2) community mental health rehabilitation services.

6 All other funding appropriated for the purposes allowed under section
 7 1.2(b)(1) of this chapter shall be paid by the county directly to the
 8 community mental health center semiannually at the times that the
 9 payments are made under subsection (e).

10 (e) The county shall appropriate and disburse the funds for
 11 operations semiannually not later than December 1 and June 1 in an
 12 amount equal to the amount determined under subsection (b) and
 13 requested in writing by the division of mental health and addiction. The
 14 total funding amount paid to the division of mental health and
 15 addiction for a county for each calendar year may not exceed the
 16 amount that is calculated in subsection (b) and set forth in writing by
 17 the division of mental health and addiction for the county. Funds paid
 18 to the division of mental health and addiction by the county shall be
 19 submitted by the county in a timely manner after receiving the written
 20 request from the division of mental health and addiction, to ensure
 21 current year compliance with the community mental health
 22 rehabilitation program and any administrative requirements of the
 23 program.

24 (f) The division of mental health and addiction shall ensure that the
 25 non-federal share of funding received from a county under this program
 26 is applied only for matching federal funds for the designated
 27 community mental health centers to the extent a center is eligible to
 28 receive county funding under IC 12-21-2-3(5)(D).

29 (g) The division of mental health and addiction:

- 30 (1) shall first apply state funding to a community mental health
 31 center's non-federal share of funding under this program; and
- 32 (2) may next apply county funding received under this section to
 33 any remaining non-federal share of funding for the community
 34 mental health center.

35 The division shall distribute any excess state funds that exceed the
 36 community mental health rehabilitation services non-federal share
 37 applied to a community mental health center that is entitled to the
 38 excess state funds.

39 (h) The health and hospital corporation of Marion County created
 40 by IC 16-22-8-6 may make payments to the division for the operation
 41 of a community mental health center as described in this chapter.

42 SECTION 21. IC 20-46-4-6, AS AMENDED BY P.L.137-2012,



1 SECTION 113, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a) As used in this section,**
 3 **"assessed value growth quotient" refers to the assessed value**
 4 **growth quotient determined under IC 6-1.1-18.5-2(d) for the**
 5 **county in which the school corporation is located.**

6 ~~(a)~~ **(b)** The levy imposed for an assessment date before January 16,
 7 2011, may not exceed the maximum permissible levy permitted under
 8 this section as this section was effective on January 1, 2011.

9 ~~(b)~~ **(c)** Except as provided in subsection ~~(c)~~; **(d)**, the levy imposed
 10 for an assessment date after January 15, 2011, may not exceed the
 11 amount determined by multiplying:

12 (1) the school corporation's maximum permissible levy for the
 13 fund for the previous year under this chapter, after eliminating the
 14 effects of temporary excessive levy appeals and any other
 15 temporary adjustments made to the levy for the calendar year
 16 (regardless of whether the school corporation imposed the entire
 17 amount of the maximum permissible levy in the immediately
 18 preceding year); by

19 (2) the assessed value growth quotient. ~~determined under~~
 20 ~~IC 6-1.1-18.5-2.~~

21 ~~(c)~~ **(d)** This subsection applies to a school corporation if the school
 22 corporation's maximum permissible levy for the fund for calendar year
 23 2009 was at least twenty-four percent (24%) less than the school
 24 corporation's maximum permissible levy for the fund for calendar year
 25 2008. For the purposes of determining the school corporation's
 26 maximum permissible levy for the fund for calendar year 2013, the
 27 amount determined under this subsection shall be used under
 28 subsection ~~(b)(1)~~ **(c)(1)** as the school corporation's maximum
 29 permissible levy for the fund for the previous year. The school
 30 corporation shall be treated as having a maximum permissible levy for
 31 the fund in calendar year 2012 that is equal to the maximum
 32 permissible levy for the fund that the school corporation would have
 33 had in calendar year 2012 if:

34 (1) the school corporation's maximum permissible levy is
 35 recalculated for calendar year 2009 to eliminate any loss in the
 36 school corporation's maximum permissible levy for the fund; and
 37 (2) the school corporation is treated as having levied the entire
 38 amount of the school corporation's recalculated maximum
 39 permissible levy for the fund in 2009, 2010, and 2011;

40 as determined by the department of local government finance. The
 41 adjustment under this subsection is a permanent adjustment in the
 42 school corporation's maximum permissible levy for the fund.



1 SECTION 22. IC 20-46-5-4, AS AMENDED BY P.L.145-2012,
 2 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 4. **(a) As used in this section, "assessed
 4 value growth quotient" refers to the assessed value growth
 5 quotient determined under IC 6-1.1-18.5-2(d) for the county in
 6 which the school corporation is located.**

7 ~~(a)~~ **(b)** Each school corporation may levy for a calendar year a
 8 property tax for the fund in accordance with the school bus acquisition
 9 plan adopted under this chapter. The levy imposed for the March 1,
 10 2011, and January 15, 2012, assessment dates may not exceed the
 11 amount approved by the department of local government finance under
 12 section 5 of this chapter and IC 6-1.1-17. In setting the levy for the
 13 March 1, 2011, and January 15, 2012, assessment dates, the department
 14 of local government finance shall evaluate whether the levy proposed
 15 by a school corporation exceeds the reasonable needs of the school
 16 corporation to carry out the purposes of the fund and approve a levy
 17 that does not exceed the reasonable needs of the school corporation to
 18 carry out the purposes of this chapter. In making its determination, the
 19 department of local government finance may consider whether a school
 20 corporation has in a previous year transferred money from the fund to
 21 the school corporation's rainy day fund or a fund other than the school
 22 bus replacement fund. Except as provided in subsection ~~(b)~~; **(c)**, a levy
 23 imposed for an assessment date after January 15, 2012, may not exceed
 24 an amount determined by multiplying:

25 (1) the school corporation's maximum permissible levy
 26 determined under this section for the previous year, after
 27 eliminating the effects of temporary excessive levy appeals and
 28 any other temporary adjustments made to the levy for the calendar
 29 year (regardless of whether the school corporation imposed the
 30 entire amount of the maximum permissible levy in the
 31 immediately preceding year); by

32 (2) the assessed value growth quotient. ~~determined under~~
 33 ~~IC 6-1.1-18.5-2.~~

34 ~~(b)~~ **(c)** The department of local government finance may, upon
 35 petition by a school corporation, adjust the school corporation's levy for
 36 the fund to reflect the school corporation's plan adopted or amended
 37 under this chapter.

38 SECTION 23. [EFFECTIVE UPON PASSAGE] **(a) The following
 39 statutes, each as amended by this act, apply to budgets, property
 40 tax rates, and property tax levies determined with respect to
 41 property taxes first due and payable in a calendar year beginning
 42 after December 31, 2016:**



- 1 **(1) IC 6-1.1-17-20.3.**
- 2 **(2) IC 6-1.1-18-5.**
- 3 **(3) IC 12-20-21-3.2.**
- 4 **(4) IC 12-29-2-2.**
- 5 **(5) IC 20-46-4-6.**
- 6 **(6) IC 20-46-5-4.**
- 7 **(b) This SECTION expires January 1, 2019.**
- 8 **SECTION 24. An emergency is declared for this act.**

