



January 22, 2016

SENATE BILL No. 308

DIGEST OF SB 308 (Updated January 19, 2016 2:00 pm - DI 73)

Citations Affected: IC 6-1.1; IC 6-1.5; IC 6-3.6; IC 12-20; IC 12-29; IC 20-46; IC 36-7; noncode.

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.) Deletes the requirement that an assessor shall examine and
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Effective: Upon passage; January 1, 2008 (retroactive); January 1, 2016 (retroactive); July 1, 2016; January 1, 2017.

**Hershman, Bassler, Perfect,
Charbonneau, Leising, Houchin,
Raatz, Niemeyer**

January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.
January 21, 2016, amended, reported favorably — Do Pass.

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verify the accuracy of each personal property tax return filed by a taxpayer. Provides instead that an assessor may examine and verify the accuracy of a personal property tax return if the assessor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process. 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. 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 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. 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. Authorizes a civil taxing unit to request an increase in its maximum property tax levy for a year, if the department of local government finance finds that the growth in the civil taxing unit's assessed value in the preceding year was at least two times the percentage growth allowed for the civil taxing unit's tax levy under the assessed value growth quotient determined for the ensuing year. Provides that the civil taxing unit may increase its maximum property tax levy by a percentage equal to the percentage growth in the civil taxing unit's assessed value for the preceding year. 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. 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. 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

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Digest Continued

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. Permits a county fiscal body to impose a local income tax (LIT) rate for a public safety emergency assistance answering point that is part of the statewide 911 system (PSAP) if the adopting body in the county is the LIT council and the LIT council has not allocated the revenue from an expenditure rate of at least 0.1% to a PSAP in the county. Specifies that the rate may not exceed 0.1%. Specifies that the revenue generated by the rate is to be paid only to the county unit and used only for a PSAP. Provides that, in the case of assessed value increases attributable to the application of an abatement schedule adopted: (1) after June 30, 2016; but (2) before the allocation area is established; the assessed value increases attributable to the application of the abatement schedule must be included in the base assessed value of the allocation area, and may not be included in the incremental assessed value of the allocation area. Provides that, in the case of assessed value increases attributable to the application of an abatement schedule adopted: (1) after June 30, 2016; and (2) on or after the allocation area is established; assessed value increases attributable to the application of an abatement schedule may be included in the incremental assessed value of the allocation area, but only to the extent that the assessed value increase is a direct result of funding or expenditures from the allocation area as determined by the fiscal body of the unit that established the redevelopment commission. Requires the Indianapolis metropolitan development commission to establish a new base assessed value beginning in 2017 for purposes of determining the incremental tax revenue for the Marion County airport economic development area. Specifies that the base assessed value must be set at the amount that will limit the incremental revenue to 150% of the debt service of the bonds denominated as series 2007 and 2007A as of January 1, 2016. Provides that a taxpayer may after January 15, 2016, and before May 1, 2016, file a property tax exemption application claiming certain tax exemptions for assessment dates after December 31, 2007, and before January 1, 2011. Specifies that if the property for which such an exemption application is filed would have qualified for the exemption if an exemption application had been timely filed, the property tax exemption is allowed and the exemption application is considered to have been timely filed.



January 22, 2016

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 6-1.1-3-14, AS AMENDED BY P.L.146-2008,
2 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2016]: Sec. 14. The township assessor, or the county assessor
4 if there is no township assessor for the township, ~~shall:~~ **may:**
5 (1) examine and verify; or
6 (2) allow a contractor under IC 6-1.1-36-12 to examine and
7 verify;
8 the accuracy of ~~each~~ a personal property return filed with the township
9 or county assessor by a taxpayer **if the assessor considers the**
10 **examination and verification of that personal property return to be**
11 **useful to the accuracy of the assessment process.** If appropriate, the
12 assessor or contractor under IC 6-1.1-36-12 shall compare a return with
13 the books of the taxpayer and with personal property owned, held,
14 possessed, controlled, or occupied by the taxpayer.
15 SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2012,

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1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2017]: Sec. 4.5. (a) The department of local government
3 finance shall adopt rules establishing a system for annually adjusting
4 the assessed value of real property to account for changes in value in
5 those years since a reassessment under section 4 or 4.2 of this chapter
6 for the property last took effect.

7 (b) Subject to subsection (e), the system must be applied to adjust
8 assessed values beginning with the 2006 assessment date and each year
9 thereafter that is not a year in which a reassessment under section 4 or
10 4.2 of this chapter for the property becomes effective.

11 (c) The rules adopted under subsection (a) must include the
12 following characteristics in the system:

13 (1) Promote uniform and equal assessment of real property within
14 and across classifications.

15 (2) Require that assessing officials:

16 (A) reevaluate the factors that affect value;

17 (B) express the interactions of those factors mathematically;

18 (C) use mass appraisal techniques to estimate updated property
19 values within statistical measures of accuracy; and

20 (D) provide notice to taxpayers of an assessment increase that
21 results from the application of annual adjustments.

22 (3) Prescribe procedures that permit the application of the
23 adjustment percentages in an efficient manner by assessing
24 officials.

25 (d) The department of local government finance must review and
26 certify each annual adjustment determined under this section.

27 (e) In making the annual determination of the base rate to satisfy the
28 requirement for an annual adjustment under subsection (c) for ~~current~~
29 **property taxes first due and payable in 2011 the January 1, 2017,**
30 **assessment date and each assessment date** thereafter, the department
31 of local government finance shall determine the base rate using the
32 methodology reflected in Table 2-18 of Book 1, Chapter 2 of the
33 department of local government finance's Real Property Assessment
34 Guidelines (as in effect on January 1, 2005), except that the department
35 shall adjust the methodology ~~to~~ **as follows:**

36 (1) Use a six (6) year rolling average adjusted under subdivision

37 ~~(2) (3)~~ instead of a four (4) year rolling average. ~~and~~

38 **(2) Use the data from the six (6) most recent years preceding**
39 **the year in which the assessment date occurs, before one (1)**
40 **of those six (6) years is eliminated under subdivision (3) when**
41 **determining the rolling average.**

42 ~~(2) (3)~~ Eliminate in the calculation of the rolling average the year



1 among the six (6) years for which the highest market value in use
2 of agricultural land is determined.

3 **(4) Use a capitalization rate of at least eight percent (8%).**

4 **(5) Do the following for purposes of calculating a base rate for**
5 **an assessment date occurring after December 31, 2016:**

6 **(A) Beginning with the base rate calculated for the March**
7 **1, 2009, assessment date, and ending with the base rate**
8 **calculated for the January 1, 2016, assessment date,**
9 **recalculate each annual base rate by using a capitalization**
10 **rate of at least eight percent (8%).**

11 **(B) Substitute the base rate recalculated for a particular**
12 **year under subdivision (1) for the base rate that actually**
13 **applied for that year.**

14 **A base rate recalculated under clause (A) applies only for the**
15 **purposes of calculating a base rate for an assessment date**
16 **occurring after December 31, 2016.**

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

21 SECTION 3. IC 6-1.1-4-13, AS AMENDED BY P.L.249-2015,
22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 13. (a) In assessing or
24 reassessing land, the land shall be assessed as agricultural land only
25 when it is devoted to agricultural use.

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

28 (1) land enrolled in:

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

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

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

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

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

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



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

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

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

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

22 All assessing officials and the property tax assessment board of appeals
 23 shall use the data in determining the true tax value of agricultural land.
 24 However, notwithstanding the availability of new soil productivity
 25 factors and the department of local government finance's notice of the
 26 appropriate soil productivity factor for each type or classification of
 27 soil shown on the United States Department of Agriculture's soil survey
 28 map for the March 1, 2012, assessment date, the soil productivity
 29 factors used for the March 1, 2011, assessment date shall be used for
 30 the ~~March 1, 2012, assessment date~~, **January 1, 2016**, assessment date ~~the March 1,~~
 31 ~~2013, assessment date, the March 1, 2014, assessment date, and the~~
 32 ~~March 1, 2015, assessment date.~~ **New soil productivity factors shall be**
 33 **used for assessment dates occurring after March 1, 2015. and each**
 34 **assessment date thereafter.**

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

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

40 SECTION 4. IC 6-1.1-4-13.2, AS ADDED BY P.L.249-2015,
 41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 UPON PASSAGE]: Sec. 13.2. Notwithstanding the provisions of this



1 chapter and any real property assessment guidelines of the department
 2 of local government finance, for the property tax assessment of
 3 agricultural land for the 2015 assessment date, the statewide
 4 agricultural land base rate value per acre used to determine the value
 5 of agricultural land is two thousand fifty dollars (\$2,050). For the 2016
 6 assessment date, ~~and each assessment date thereafter~~, the statewide
 7 agricultural land base rate value per acre is equal to:

8 (1) the base rate value for the immediately preceding assessment
 9 date; multiplied by

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

12 This amount shall be substituted for any agricultural land base rate
 13 value included in the Real Property Assessment Guidelines or any
 14 other guidelines of the department of local government finance that
 15 apply for those assessment dates.

16 SECTION 5. IC 6-1.1-4-43 IS REPEALED [EFFECTIVE
 17 JANUARY 1, 2016 (RETROACTIVE)]. ~~Sec. 43. (a) This section~~
 18 ~~applies to a real property assessment for:~~

19 ~~(1) the 2014 assessment date and assessment dates thereafter; and~~

20 ~~(2) real property that is:~~

21 ~~(A) a limited market or special purpose property that would~~
 22 ~~commonly be regarded as a big box retail building under~~
 23 ~~standard appraisal practices and is at least fifty thousand~~
 24 ~~(50,000) square feet; and~~

25 ~~(B) occupied by the original owner or by a tenant for which the~~
 26 ~~improvement was built.~~

27 ~~(b) This section does not to apply to the assessment of multi-tenant~~
 28 ~~income producing shopping centers (as defined by the Appraisal~~
 29 ~~Institute Dictionary of Real Estate Appraisal (5th Edition)):~~

30 ~~(c) In determining the true tax value of real property under this~~
 31 ~~section which has improvements with an effective age is ten (10) years~~
 32 ~~or less under the rules of the department, assessing officials shall apply~~
 33 ~~the cost approach, less depreciation and obsolescence under the rules~~
 34 ~~and guidelines of the department. For purposes of this subsection, the~~
 35 ~~land value shall be assessed separately. The assessed value of the land~~
 36 ~~underlying the improvements assessed under this section may be~~
 37 ~~assessed or challenged based on the market value of comparable land:~~

38 ~~(d) This subsection applies to a taxpayer that files a notice under~~
 39 ~~IC 6-1.1-15 after April 30, 2015, requesting a review of the assessment~~
 40 ~~of the taxpayer's real property that is subject to this section. If the~~
 41 ~~effective age of the improvements is ten (10) years or less under the~~
 42 ~~rules of the department, a taxpayer must provide to the appropriate~~



1 county or township assessing official information concerning the actual
 2 construction costs for the real property. Notwithstanding IC 6-1.1-15,
 3 if a taxpayer does not provide all relevant and reasonably available
 4 information concerning the actual construction costs for the real
 5 property before the hearing scheduled by the county property tax
 6 assessment board of appeals regarding the assessment of the real
 7 property, the appeal may not be reviewed until all the information is
 8 provided. If a taxpayer does provide the information concerning the
 9 actual construction costs for the real property and the construction costs
 10 for the real property are greater than the cost values determined by
 11 using the cost tables under the rules and guidelines of the department
 12 of local government finance, then the for purposes of applying the cost
 13 approach under subsection (b) or (c) the depreciation and obsolescence
 14 shall be deducted from the construction costs rather than the than the
 15 cost values determined by using the cost tables under the rules and
 16 guidelines of the department of local government finance.

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

- 21 (1) the 2014 assessment date and assessment dates thereafter; or
 22 (2) any assessment date, if an assessment appeal is pending before
 23 the county property tax assessment board of appeals or the board
 24 of tax review.

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

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

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

- 35 (1) has been vacant for more than one (1) year as of the
 36 assessment date or in the case of industrial property vacant for
 37 more than five (5) years;
 38 (2) has significant restrictions placed on the use of the real
 39 property by a recorded covenant, restriction, easement, or other
 40 encumbrance on the use of the real property;
 41 (3) was sold and is no longer used for the purpose, or a similar
 42 purpose, for which the property was used by the original occupant



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or tenant; or
~~(4) was not sold in an arm's length transaction.~~
SECTION 7. IC 6-1.1-6-14, AS AMENDED BY P.L.66-2006,
SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2016]: Sec. 14. Land which is classified under this chapter as
native forest land, a forest plantation, or wildlands shall be assessed as
follows:

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

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

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

STEP TWO: Multiply the STEP ONE amount by the result of:

- (A) **one (1); plus**
- (B) **the annual percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics for the calendar year preceding the calendar year before the assessment date.**

SECTION 8. IC 6-1.1-6.2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) Land that is classified under this chapter as a windbreak shall be assessed as follows:

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

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

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

STEP TWO: Multiply the STEP ONE amount by the result of:

- (A) **one (1); plus**
- (B) **the annual percentage change in the Consumer Price Index for All Urban Consumers published by the federal Bureau of Labor Statistics for the calendar year preceding the calendar year before the assessment date.**

(b) ~~However,~~ **Notwithstanding subsection (a), ditch assessments**



1 on the classified land shall be paid.

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

6 **(1) At ~~one dollar (\$1)~~ thirteen dollars and twenty-nine cents**
7 **(\$13.29) per acre for general property taxation purposes, for the**
8 **January 1, 2017, assessment date.**

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

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

14 **STEP TWO: Multiply the STEP ONE amount by the result**
15 **of:**

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

17 **(B) the annual percentage change in the Consumer Price**
18 **Index for All Urban Consumers published by the federal**
19 **Bureau of Labor Statistics for the calendar year**
20 **preceding the calendar year before the assessment date.**

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

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

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

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

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

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

40 (d) Money deposited in a taxing unit's property tax assessment
41 appeals fund is not considered miscellaneous revenue. Both the taxing
42 unit and the department of local government finance shall disregard



1 any balance in the taxing unit's property tax assessment appeals fund
 2 in the determination of the taxing unit's property tax levy, property tax
 3 rate, and budget (except for appropriations for the purposes permitted
 4 by subsection (b)) for a particular calendar year.

5 SECTION 11. IC 6-1.1-15-10.7 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2016]: **Sec. 10.7. (a) The county fiscal body**
 8 **may adopt an ordinance to provide that a part of the county's net**
 9 **assessed value of tangible property shall be excluded from the tax**
 10 **duplicate under IC 6-1.1-17-0.5(g). The ordinance must specify that**
 11 **the county auditor shall exclude the amount of net assessed value**
 12 **that is necessary to enable the county to pay the expenses, as**
 13 **specified in the ordinance, that are likely to be incurred by the**
 14 **county assessor in defending appeals under this chapter with**
 15 **respect to property located in the county.**

16 **(b) Property tax receipts that are attributable to an increase in**
 17 **the taxing unit's tax rate caused by a reduction in the net assessed**
 18 **value under IC 6-1.1-17-0.5(g) shall be deposited in the county's**
 19 **property tax assessment appeals fund established under section**
 20 **10.5 of this chapter and used to pay expenses incurred by the**
 21 **county assessor in defending appeals under this chapter with**
 22 **respect to property located in the county.**

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

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

- 31 (1) The net assessed value of the property is at least nine percent
- 32 (9%) of the net assessed value of all tangible property subject to
- 33 taxation by a taxing district.
- 34 (2) The property is or has been part of a bankruptcy estate that is
- 35 subject to protection under the federal bankruptcy code.
- 36 (3) The owner of the property has discontinued all business
- 37 operations on the property.
- 38 (4) There is a high probability that the taxpayer will not pay
- 39 property taxes due on the property in the following year.

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

42 (d) For each taxing district located in the county, the county auditor



1 may reduce for a calendar year the taxing district's net assessed value
 2 that is certified to the department of local government finance under
 3 section 1 of this chapter and used to set tax rates for the taxing district
 4 for taxes first due and payable in the immediately succeeding calendar
 5 year. The county auditor may reduce a taxing district's net assessed
 6 value under this subsection only to enable the taxing district to absorb
 7 the effects of reduced property tax collections in the immediately
 8 succeeding calendar year that are expected to result from any or a
 9 combination of the following:

10 (1) Successful appeals of the assessed value of property located
 11 in the taxing district.

12 (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that
 13 result from the granting of applications for the standard deduction
 14 for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after
 15 the county auditor certifies net assessed value as described in this
 16 section.

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

21 (4) Reassessments of real property under IC 6-1.1-4-11.5.

22 Not later than December 31 of each year, the county auditor shall send
 23 a certified statement, under the seal of the board of county
 24 commissioners, to the fiscal officer of each political subdivision of the
 25 county and to the department of local government finance. The
 26 certified statement must list any adjustments to the amount of the
 27 reduction under this subsection and the information submitted under
 28 section 1 of this chapter that are necessary. The county auditor shall
 29 keep separately on the tax duplicate the amount of any reductions made
 30 under this subsection. The maximum amount of the reduction
 31 authorized under this subsection is determined under subsection (e).

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

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

38 (1) county property tax assessment board of appeals;

39 (2) Indiana board; or

40 (3) Indiana tax court;

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

42 (g) **If a county fiscal body adopts an ordinance under**



1 **IC 6-1.1-15-10.7, the county auditor shall exclude and keep**
2 **separate on the tax duplicate for taxes payable in a calendar year**
3 **the net assessed value of tangible property that is necessary to**
4 **enable the county to pay the expenses, as specified in the ordinance,**
5 **that are likely to be incurred by the county assessor in defending**
6 **appeals with respect to property located in the county.**

7 SECTION 13. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,
8 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 20.3. **(a) As used in this section, "assessed**
10 **value growth quotient" refers to the assessed value growth**
11 **quotient determined under IC 6-1.1-18.5-2(d) for the county in**
12 **which the public library is located.**

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

15 (1) is not comprised of a majority of officials who are elected to
16 serve on the governing body; and

17 (2) has a percentage increase in the proposed budget for the
18 taxing unit for the ensuing calendar year that is more than the
19 result of:

20 (A) the assessed value growth quotient ~~determined under~~
21 ~~IC 6-1.1-18.5-2~~ for the ensuing calendar year; minus

22 (B) one (1).

23 For purposes of this section, an individual who qualifies to be
24 appointed to a governing body or serves on a governing body because
25 of the individual's status as an elected official of another taxing unit
26 shall be treated as an official who was not elected to serve on the
27 governing body.

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

31 ~~(c)~~ **(d)** If:

32 (1) the assessed valuation of a public library is entirely contained
33 within a city or town; or

34 (2) the assessed valuation of a public library is not entirely
35 contained within a city or town but the public library was
36 originally established by the city or town;

37 the governing body shall submit its proposed budget and property tax
38 levy to the city or town fiscal body in the manner prescribed by the
39 department of local government finance before September 2 of a year.
40 However, the governing body shall submit its proposed budget and
41 property tax levy to the county fiscal body in the manner provided in
42 subsection ~~(d)~~; **(e)**, rather than to the city or town fiscal body, if more



1 than fifty percent (50%) of the parcels of real property within the
2 jurisdiction of the public library are located outside the city or town.

3 ~~(d)~~ (e) If subsection ~~(e)~~ (d) does not apply, the governing body of
4 the public library shall submit its proposed budget and property tax
5 levy to the county fiscal body in the county where the public library has
6 the most assessed valuation. The proposed budget and levy shall be
7 submitted to the county fiscal body in the manner prescribed by the
8 department of local government finance before September 2 of a year.

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

13 ~~(f)~~ (g) If a public library fails to file the information required in
14 subsection ~~(e)~~ (d) or ~~(d)~~; (e), whichever applies, with the appropriate
15 fiscal body by the time prescribed by this section, the most recent
16 annual appropriations and annual tax levy of that public library are
17 continued for the ensuing budget year.

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

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

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

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

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

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



1 (c) However, if the additional appropriation is not made from a fund
2 described under subsection (b), subsections (f), (g), (h), and (i) do not
3 apply to the political subdivision. Subsections (f), (g), (h), and (i) do
4 not apply to an additional appropriation made from the cumulative
5 bridge fund if the appropriation meets the requirements under
6 IC 8-16-3-3(c).

7 (d) A political subdivision may make an additional appropriation
8 without approval of the department of local government finance if the
9 additional appropriation is made from a fund that is not described
10 under subsection (b). However, the fiscal officer of the political
11 subdivision shall report the additional appropriation to the department
12 of local government finance.

13 (e) After the public hearing, the proper officers of the political
14 subdivision shall file a certified copy of their final proposal and any
15 other relevant information to the department of local government
16 finance.

17 (f) When the department of local government finance receives a
18 certified copy of a proposal for an additional appropriation under
19 subsection (e), the department shall determine whether sufficient funds
20 are available or will be available for the proposal. The determination
21 shall be made in writing and sent to the political subdivision not more
22 than fifteen (15) days after the department of local government finance
23 receives the proposal.

24 (g) In making the determination under subsection (f), the
25 department of local government finance shall limit the amount of the
26 additional appropriation to revenues available, or to be made available,
27 which have not been previously appropriated.

28 (h) If the department of local government finance disapproves an
29 additional appropriation under subsection (f), the department shall
30 specify the reason for its disapproval on the determination sent to the
31 political subdivision.

32 (i) A political subdivision may request a reconsideration of a
33 determination of the department of local government finance under this
34 section by filing a written request for reconsideration. A request for
35 reconsideration must:

36 (1) be filed with the department of local government finance
37 within fifteen (15) days of the receipt of the determination by the
38 political subdivision; and

39 (2) state with reasonable specificity the reason for the request.

40 The department of local government finance must act on a request for
41 reconsideration within fifteen (15) days of receiving the request.

42 (j) This subsection applies to an additional appropriation by a



1 political subdivision that must have the political subdivision's annual
 2 appropriations and annual tax levy adopted by a city, town, or county
 3 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or
 4 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,
 5 town, or county that adopted the political subdivision's annual
 6 appropriation and annual tax levy must adopt the additional
 7 appropriation by ordinance before the department of local government
 8 finance may approve the additional appropriation.

9 (k) **As used in this subsection, "assessed value growth quotient"**
 10 **refers to the assessed value growth quotient determined under**
 11 **IC 6-1.1-18.5-2(d) for the county in which the public library is**
 12 **located.** This subsection applies to a public library that:

- 13 (1) is required to submit the public library's budgets, tax rates, and
 14 tax levies for nonbinding review under IC 6-1.1-17-3.5; and
- 15 (2) is not required to submit the public library's budgets, tax rates,
 16 and tax levies for binding review and approval under
 17 IC 6-1.1-17-20.

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

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

33 (a) (b) As used in this section, "Indiana nonfarm personal income"
 34 means the estimate of total nonfarm personal income for Indiana in a
 35 calendar year as computed by the federal Bureau of Economic Analysis
 36 using any actual data for the calendar year and any estimated data
 37 determined appropriate by the federal Bureau of Economic Analysis.

38 (b) (c) **This subsection applies to the determination of a civil**
 39 **taxing unit's maximum permissible ad valorem property tax levy**
 40 **for a calendar year ending before January 1, 2017.** For purposes of
 41 determining a civil taxing unit's maximum permissible ad valorem
 42 property tax levy for an ensuing calendar year, the civil taxing unit



1 shall use the assessed value growth quotient determined in the last
2 STEP of the following STEPS:

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

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

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

13 STEP FOUR: Determine the lesser of the following:

14 (A) The STEP THREE quotient.

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

16 **(d) This subsection applies to the determination of a civil taxing**
17 **unit's maximum permissible ad valorem property tax levy for a**
18 **calendar year beginning after December 31, 2016. For purposes of**
19 **determining a civil taxing unit's maximum permissible ad valorem**
20 **property tax levy for an ensuing calendar year, the civil taxing unit**
21 **shall use the assessed value growth quotient determined in the last**
22 **STEP of the following STEPS:**

23 **STEP ONE: For each of the six (6) calendar years**
24 **immediately preceding the year in which a budget is adopted**
25 **under IC 6-1.1-17-5 for the ensuing calendar year, divide the**
26 **Indiana nonfarm personal income for the calendar year by**
27 **the Indiana nonfarm personal income for the calendar year**
28 **immediately preceding that calendar year, rounding to the**
29 **nearest one-thousandth (0.001).**

30 **STEP TWO: Determine the sum of the STEP ONE results.**

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

33 **STEP FOUR: Determine the lesser of the following:**

34 **(A) The STEP THREE quotient.**

35 **(B) One and six-hundredths (1.06).**

36 **STEP FIVE: For each of the six (6) calendar years**
37 **immediately preceding the year in which a budget is adopted**
38 **under IC 6-1.1-17-5 for the ensuing calendar year, divide the**
39 **certified net assessed value located in the county in which the**
40 **civil taxing unit is located for the calendar year by the**
41 **certified net assessed value located in that county for the**
42 **immediately preceding calendar year, rounding to the nearest**



- 1 **one-thousandth (0.001).**
- 2 **STEP SIX: Determine the sum of the STEP FIVE results.**
- 3 **STEP SEVEN: Divide the STEP SIX result by six (6),**
- 4 **rounding to the nearest one-thousandth (0.001).**
- 5 **STEP EIGHT: Determine the lesser of the following:**
- 6 **(A) The STEP SEVEN quotient.**
- 7 **(B) The STEP FOUR result.**
- 8 **(e) The following apply in the case of a civil taxing unit that**
- 9 **contains territory in more than one (1) county:**
- 10 **(1) A separate calculation shall be done under STEP FIVE**
- 11 **through STEP SEVEN of subsection (d) for each county in**
- 12 **which the civil taxing unit contains territory.**
- 13 **(2) In making the determination under STEP EIGHT of**
- 14 **subsection (d), the quotient to be used in STEP EIGHT (A) of**
- 15 **subsection (d) is the largest of the results that are calculated**
- 16 **as provided in subdivision (1).**
- 17 SECTION 16. IC 6-1.1-18.5-3, AS AMENDED BY P.L.153-2014,
- 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 UPON PASSAGE]: Sec. 3. (a) A civil taxing unit may not impose an
- 20 ad valorem property tax levy for an ensuing calendar year that exceeds
- 21 the amount determined in the last STEP of the following STEPS:
- 22 STEP ONE: Determine the civil taxing unit's maximum
- 23 permissible ad valorem property tax levy for the preceding
- 24 calendar year.
- 25 STEP TWO: Multiply the amount determined in STEP ONE by
- 26 the amount determined in the last STEP of section ~~2(b)~~ **2(c) or**
- 27 **2(d)** of this chapter, **whichever is applicable.**
- 28 STEP THREE: Determine the lesser of one and fifteen hundredths
- 29 (1.15) or the quotient (rounded to the nearest ten-thousandth
- 30 (0.0001)), of the assessed value of all taxable property subject to
- 31 the civil taxing unit's ad valorem property tax levy for the ensuing
- 32 calendar year, divided by the assessed value of all taxable
- 33 property that is subject to the civil taxing unit's ad valorem
- 34 property tax levy for the ensuing calendar year and that is
- 35 contained within the geographic area that was subject to the civil
- 36 taxing unit's ad valorem property tax levy in the preceding
- 37 calendar year.
- 38 STEP FOUR: Determine the greater of the amount determined in
- 39 STEP THREE or one (1).
- 40 STEP FIVE: Multiply the amount determined in STEP TWO by
- 41 the amount determined in STEP FOUR.
- 42 STEP SIX: Add the amount determined under STEP TWO to the



1 amount of an excessive levy appeal granted under section 13 of
2 this chapter for the ensuing calendar year.

3 STEP SEVEN: Determine the greater of STEP FIVE or STEP
4 SIX.

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

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

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

12 to provide property tax relief in the county; **that is covered by**
13 **IC 6-3.6-11-1.** Notwithstanding any provision in this section, any other
14 section of this chapter, or IC 12-20-21-3.2, and except as provided in
15 subsection (c), the maximum permissible ad valorem property tax levy
16 calculated under this section for the ensuing calendar year for a civil
17 taxing unit subject to this section is equal to the civil taxing unit's
18 maximum permissible ad valorem property tax levy for the current
19 calendar year.

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

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

28 (2) is partially located in a county that is not described in
29 subdivision (1);

30 the department of local government finance shall, notwithstanding
31 subsection (b), adjust the portion of the civil taxing unit's maximum
32 permissible ad valorem property tax levy that is attributable (as
33 determined by the department of local government finance) to the
34 county or counties described in subdivision (2). The department of
35 local government finance shall adjust this portion of the civil taxing
36 unit's maximum permissible ad valorem property tax levy so that,
37 notwithstanding subsection (b), this portion is allowed to increase as
38 otherwise provided in this section. If the department of local
39 government finance increases the civil taxing unit's maximum
40 permissible ad valorem property tax levy under this subsection, any
41 additional property taxes imposed by the civil taxing unit under the
42 adjustment shall be paid only by the taxpayers in the county or counties



1 described in subdivision (2).

2 SECTION 17. IC 6-1.1-18.5-13, AS AMENDED BY P.L.245-2015,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 13. (a) With respect to an appeal filed under
5 section 12 of this chapter, the department may find that a civil taxing
6 unit should receive any one (1) or more of the following types of relief:

7 (1) Permission to the civil taxing unit to increase its levy in excess
8 of the limitations established under section 3 of this chapter, if in
9 the judgment of the department the increase is reasonably
10 necessary due to increased costs of the civil taxing unit resulting
11 from annexation, consolidation, or other extensions of
12 governmental services by the civil taxing unit to additional
13 geographic areas or persons. With respect to annexation,
14 consolidation, or other extensions of governmental services in a
15 calendar year, if those increased costs are incurred by the civil
16 taxing unit in that calendar year and more than one (1)
17 immediately succeeding calendar year, the unit may appeal under
18 section 12 of this chapter for permission to increase its levy under
19 this subdivision based on those increased costs in any of the
20 following:

21 (A) The first calendar year in which those costs are incurred.
22 (B) One (1) or more of the immediately succeeding four (4)
23 calendar years.

24 (2) A levy increase may not be granted under this subdivision for
25 property taxes first due and payable after December 31, 2008.
26 Permission to the civil taxing unit to increase its levy in excess of
27 the limitations established under section 3 of this chapter, if the
28 local government tax control board finds that the civil taxing unit
29 needs the increase to meet the civil taxing unit's share of the costs
30 of operating a court established by statute enacted after December
31 31, 1973. Before recommending such an increase, the local
32 government tax control board shall consider all other revenues
33 available to the civil taxing unit that could be applied for that
34 purpose. The maximum aggregate levy increases that the local
35 government tax control board may recommend for a particular
36 court equals the civil taxing unit's estimate of the unit's share of
37 the costs of operating a court for the first full calendar year in
38 which it is in existence. For purposes of this subdivision, costs of
39 operating a court include:

40 (A) the cost of personal services (including fringe benefits);
41 (B) the cost of supplies; and
42 (C) any other cost directly related to the operation of the court.



1 (3) Permission to the civil taxing unit to increase its levy in excess
 2 of the limitations established under section 3 of this chapter, if the
 3 department finds that the quotient determined under STEP SIX of
 4 the following formula is equal to or greater than one and
 5 two-hundredths (1.02):

6 STEP ONE: Determine the three (3) calendar years that most
 7 immediately precede the ensuing calendar year and in which
 8 a statewide general reassessment of real property under
 9 IC 6-1.1-4-4 does not first become effective.

10 STEP TWO: Compute separately, for each of the calendar
 11 years determined in STEP ONE, the quotient (rounded to the
 12 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 13 unit's total assessed value of all taxable property and:

14 (i) for a particular calendar year before 2007, the total
 15 assessed value of property tax deductions in the unit under
 16 IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular
 17 calendar year; or

18 (ii) for a particular calendar year after 2006, the total
 19 assessed value of property tax deductions that applied in the
 20 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 21 calendar year after 2009, the total assessed value of property
 22 tax deductions that applied in the unit under
 23 IC 6-1.1-12-37.5 in 2008;

24 divided by the sum determined under this STEP for the
 25 calendar year immediately preceding the particular calendar
 26 year.

27 STEP THREE: Divide the sum of the three (3) quotients
 28 computed in STEP TWO by three (3).

29 STEP FOUR: Compute separately, for each of the calendar
 30 years determined in STEP ONE, the quotient (rounded to the
 31 nearest ten-thousandth (0.0001)) of the sum of the total
 32 assessed value of all taxable property in all counties and:

33 (i) for a particular calendar year before 2007, the total
 34 assessed value of property tax deductions in all counties
 35 under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the
 36 particular calendar year; or

37 (ii) for a particular calendar year after 2006, the total
 38 assessed value of property tax deductions that applied in all
 39 counties under IC 6-1.1-12-42 in 2006 plus for a particular
 40 calendar year after 2009, the total assessed value of property
 41 tax deductions that applied in the unit under
 42 IC 6-1.1-12-37.5 in 2008;



- 1 divided by the sum determined under this STEP for the
 2 calendar year immediately preceding the particular calendar
 3 year.
- 4 STEP FIVE: Divide the sum of the three (3) quotients
 5 computed in STEP FOUR by three (3).
- 6 STEP SIX: Divide the STEP THREE amount by the STEP
 7 FIVE amount.
- 8 The civil taxing unit may increase its levy by a percentage not
 9 greater than the percentage by which the STEP THREE amount
 10 exceeds the percentage by which the civil taxing unit may
 11 increase its levy under section 3 of this chapter based on the
 12 assessed value growth quotient determined under section 2 of this
 13 chapter.
- 14 (4) A levy increase may not be granted under this subdivision for
 15 property taxes first due and payable after December 31, 2008.
 16 Permission to the civil taxing unit to increase its levy in excess of
 17 the limitations established under section 3 of this chapter, if the
 18 local government tax control board finds that the civil taxing unit
 19 needs the increase to pay the costs of furnishing fire protection for
 20 the civil taxing unit through a volunteer fire department. For
 21 purposes of determining a township's need for an increased levy,
 22 the local government tax control board shall not consider the
 23 amount of money borrowed under IC 36-6-6-14 during the
 24 immediately preceding calendar year. However, any increase in
 25 the amount of the civil taxing unit's levy recommended by the
 26 local government tax control board under this subdivision for the
 27 ensuing calendar year may not exceed the lesser of:
- 28 (A) ten thousand dollars (\$10,000); or
 29 (B) twenty percent (20%) of:
- 30 (i) the amount authorized for operating expenses of a
 31 volunteer fire department in the budget of the civil taxing
 32 unit for the immediately preceding calendar year; plus
 33 (ii) the amount of any additional appropriations authorized
 34 during that calendar year for the civil taxing unit's use in
 35 paying operating expenses of a volunteer fire department
 36 under this chapter; minus
 37 (iii) the amount of money borrowed under IC 36-6-6-14
 38 during that calendar year for the civil taxing unit's use in
 39 paying operating expenses of a volunteer fire department.
- 40 (5) A levy increase may not be granted under this subdivision for
 41 property taxes first due and payable after December 31, 2008.
 42 Permission to a civil taxing unit to increase its levy in excess of



1 the limitations established under section 3 of this chapter in order
 2 to raise revenues for pension payments and contributions the civil
 3 taxing unit is required to make under IC 36-8. The maximum
 4 increase in a civil taxing unit's levy that may be recommended
 5 under this subdivision for an ensuing calendar year equals the
 6 amount, if any, by which the pension payments and contributions
 7 the civil taxing unit is required to make under IC 36-8 during the
 8 ensuing calendar year exceeds the product of one and one-tenth
 9 (1.1) multiplied by the pension payments and contributions made
 10 by the civil taxing unit under IC 36-8 during the calendar year that
 11 immediately precedes the ensuing calendar year. For purposes of
 12 this subdivision, "pension payments and contributions made by a
 13 civil taxing unit" does not include that part of the payments or
 14 contributions that are funded by distributions made to a civil
 15 taxing unit by the state.

16 (6) A levy increase may not be granted under this subdivision for
 17 property taxes first due and payable after December 31, 2008.
 18 Permission to increase its levy in excess of the limitations
 19 established under section 3 of this chapter if the local government
 20 tax control board finds that:

21 (A) the township's township assistance ad valorem property
 22 tax rate is less than one and sixty-seven hundredths cents
 23 (\$0.0167) per one hundred dollars (\$100) of assessed
 24 valuation; and

25 (B) the township needs the increase to meet the costs of
 26 providing township assistance under IC 12-20 and IC 12-30-4.
 27 The maximum increase that the board may recommend for a
 28 township is the levy that would result from an increase in the
 29 township's township assistance ad valorem property tax rate of
 30 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 31 dollars (\$100) of assessed valuation minus the township's ad
 32 valorem property tax rate per one hundred dollars (\$100) of
 33 assessed valuation before the increase.

34 (7) A levy increase may not be granted under this subdivision for
 35 property taxes first due and payable after December 31, 2008.
 36 Permission to a civil taxing unit to increase its levy in excess of
 37 the limitations established under section 3 of this chapter if:

38 (A) the increase has been approved by the legislative body of
 39 the municipality with the largest population where the civil
 40 taxing unit provides public transportation services; and

41 (B) the local government tax control board finds that the civil
 42 taxing unit needs the increase to provide adequate public



1 transportation services.
 2 The local government tax control board shall consider tax rates
 3 and levies in civil taxing units of comparable population, and the
 4 effect (if any) of a loss of federal or other funds to the civil taxing
 5 unit that might have been used for public transportation purposes.
 6 However, the increase that the board may recommend under this
 7 subdivision for a civil taxing unit may not exceed the revenue that
 8 would be raised by the civil taxing unit based on a property tax
 9 rate of one cent (\$.01) per one hundred dollars (\$100) of
 10 assessed valuation.
 11 (8) A levy increase may not be granted under this subdivision for
 12 property taxes first due and payable after December 31, 2008.
 13 Permission to a civil taxing unit to increase the unit's levy in
 14 excess of the limitations established under section 3 of this
 15 chapter if the local government tax control board finds that:
 16 (A) the civil taxing unit is:
 17 (i) a county having a population of more than one hundred
 18 seventy thousand (170,000) but less than one hundred
 19 seventy-five thousand (175,000);
 20 (ii) a city having a population of more than sixty-five
 21 thousand (65,000) but less than seventy thousand (70,000);
 22 (iii) a city having a population of more than twenty-nine
 23 thousand five hundred (29,500) but less than twenty-nine
 24 thousand six hundred (29,600);
 25 (iv) a city having a population of more than thirteen
 26 thousand four hundred fifty (13,450) but less than thirteen
 27 thousand five hundred (13,500); or
 28 (v) a city having a population of more than eight thousand
 29 seven hundred (8,700) but less than nine thousand (9,000);
 30 and
 31 (B) the increase is necessary to provide funding to undertake
 32 removal (as defined in IC 13-11-2-187) and remedial action
 33 (as defined in IC 13-11-2-185) relating to hazardous
 34 substances (as defined in IC 13-11-2-98) in solid waste
 35 disposal facilities or industrial sites in the civil taxing unit that
 36 have become a menace to the public health and welfare.
 37 The maximum increase that the local government tax control
 38 board may recommend for such a civil taxing unit is the levy that
 39 would result from a property tax rate of six and sixty-seven
 40 hundredths cents (\$.0667) for each one hundred dollars (\$100)
 41 of assessed valuation. For purposes of computing the ad valorem
 42 property tax levy limit imposed on a civil taxing unit under



1 section 3 of this chapter, the civil taxing unit's ad valorem
 2 property tax levy for a particular year does not include that part of
 3 the levy imposed under this subdivision. In addition, a property
 4 tax increase permitted under this subdivision may be imposed for
 5 only two (2) calendar years.

6 (9) A levy increase may not be granted under this subdivision for
 7 property taxes first due and payable after December 31, 2008.
 8 Permission for a county:

9 (A) having a population of more than eighty thousand (80,000)
 10 but less than ninety thousand (90,000) to increase the county's
 11 levy in excess of the limitations established under section 3 of
 12 this chapter, if the local government tax control board finds
 13 that the county needs the increase to meet the county's share of
 14 the costs of operating a jail or juvenile detention center,
 15 including expansion of the facility, if the jail or juvenile
 16 detention center is opened after December 31, 1991;

17 (B) that operates a county jail or juvenile detention center that
 18 is subject to an order that:

19 (i) was issued by a federal district court; and

20 (ii) has not been terminated;

21 (C) that operates a county jail that fails to meet:

22 (i) American Correctional Association Jail Construction
 23 Standards; and

24 (ii) Indiana jail operation standards adopted by the
 25 department of correction; or

26 (D) that operates a juvenile detention center that fails to meet
 27 standards equivalent to the standards described in clause (C)
 28 for the operation of juvenile detention centers.

29 Before recommending an increase, the local government tax
 30 control board shall consider all other revenues available to the
 31 county that could be applied for that purpose. An appeal for
 32 operating funds for a jail or a juvenile detention center shall be
 33 considered individually, if a jail and juvenile detention center are
 34 both opened in one (1) county. The maximum aggregate levy
 35 increases that the local government tax control board may
 36 recommend for a county equals the county's share of the costs of
 37 operating the jail or a juvenile detention center for the first full
 38 calendar year in which the jail or juvenile detention center is in
 39 operation.

40 (10) A levy increase may not be granted under this subdivision for
 41 property taxes first due and payable after December 31, 2008.
 42 Permission for a township to increase its levy in excess of the



1 limitations established under section 3 of this chapter, if the local
 2 government tax control board finds that the township needs the
 3 increase so that the property tax rate to pay the costs of furnishing
 4 fire protection for a township, or a portion of a township, enables
 5 the township to pay a fair and reasonable amount under a contract
 6 with the municipality that is furnishing the fire protection.
 7 However, for the first time an appeal is granted the resulting rate
 8 increase may not exceed fifty percent (50%) of the difference
 9 between the rate imposed for fire protection within the
 10 municipality that is providing the fire protection to the township
 11 and the township's rate. A township is required to appeal a second
 12 time for an increase under this subdivision if the township wants
 13 to further increase its rate. However, a township's rate may be
 14 increased to equal but may not exceed the rate that is used by the
 15 municipality. More than one (1) township served by the same
 16 municipality may use this appeal.

17 (11) Permission to a city having a population of more than
 18 thirty-one thousand five hundred (31,500) but less than thirty-one
 19 thousand seven hundred twenty-five (31,725) to increase its levy
 20 in excess of the limitations established under section 3 of this
 21 chapter if:

22 (A) an appeal was granted to the city under this section to
 23 reallocate property tax replacement credits under IC 6-3.5-1.1
 24 in 1998, 1999, and 2000; and

25 (B) the increase has been approved by the legislative body of
 26 the city, and the legislative body of the city has by resolution
 27 determined that the increase is necessary to pay normal
 28 operating expenses.

29 The maximum amount of the increase is equal to the amount of
 30 property tax replacement credits under IC 6-3.5-1.1 that the city
 31 petitioned under this section to have reallocated in 2001 for a
 32 purpose other than property tax relief.

33 (12) A levy increase may be granted under this subdivision only
 34 for property taxes first due and payable after December 31, 2008.
 35 Permission to a civil taxing unit to increase its levy in excess of
 36 the limitations established under section 3 of this chapter if the
 37 civil taxing unit cannot carry out its governmental functions for
 38 an ensuing calendar year under the levy limitations imposed by
 39 section 3 of this chapter due to a natural disaster, an accident, or
 40 another unanticipated emergency.

41 (13) Permission to Jefferson County to increase its levy in excess
 42 of the limitations established under section 3 of this chapter if the



1 department finds that the county experienced a property tax
 2 revenue shortfall that resulted from an erroneous estimate of the
 3 effect of the supplemental deduction under IC 6-1.1-12-37.5 on
 4 the county's assessed valuation. An appeal for a levy increase
 5 under this subdivision may not be denied because of the amount
 6 of cash balances in county funds. The maximum increase in the
 7 county's levy that may be approved under this subdivision is three
 8 hundred thousand dollars (\$300,000).

9 **(14) Permission to a civil taxing unit to increase its levy in**
 10 **excess of the limitations established under section 3 of this**
 11 **chapter, if the department finds that the percentage growth in**
 12 **the civil taxing unit's assessed value for the preceding**
 13 **calendar year was at least two (2) times the percentage**
 14 **growth allowed for the civil taxing unit's tax levy under the**
 15 **assessed value growth quotient determined under section 2 of**
 16 **this chapter for the ensuing calendar year. The civil taxing**
 17 **unit may increase its levy by a percentage equal to the**
 18 **percentage growth in the civil taxing unit's assessed value for**
 19 **the preceding calendar year.**

20 (b) The department of local government finance shall increase the
 21 maximum permissible ad valorem property tax levy under section 3 of
 22 this chapter for the city of Goshen for 2012 and thereafter by an
 23 amount equal to the greater of zero (0) or the result of:

24 (1) the city's total pension costs in 2009 for the 1925 police
 25 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund
 26 (IC 36-8-7); minus

27 (2) the sum of:

28 (A) the total amount of state funds received in 2009 by the city
 29 and used to pay benefits to members of the 1925 police
 30 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund
 31 (IC 36-8-7); plus

32 (B) any previous permanent increases to the city's levy that
 33 were authorized to account for the transfer to the state of the
 34 responsibility to pay benefits to members of the 1925 police
 35 pension fund (IC 36-8-6) and the 1937 firefighters' pension
 36 fund (IC 36-8-7).

37 (c) In calendar year 2013, the department of local government
 38 finance shall allow a township to increase its maximum permissible ad
 39 valorem property tax levy in excess of the limitations established under
 40 section 3 of this chapter, if the township:

41 (1) petitions the department for the levy increase on a form
 42 prescribed by the department; and



1 (2) submits proof of the amount borrowed in 2012 or 2013, but
 2 not both, under IC 36-6-6-14 to furnish fire protection for the
 3 township or a part of the township.

4 The maximum increase in a township's levy that may be allowed under
 5 this subsection is the amount borrowed by the township under
 6 IC 36-6-6-14 in the year for which proof was submitted under
 7 subdivision (2). An increase allowed under this subsection applies to
 8 property taxes first due and payable after December 31, 2013.

9 SECTION 18. IC 6-1.1-31-6, AS AMENDED BY P.L.154-2006,
 10 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2016 (RETROACTIVE)]: Sec. 6. (a) With respect to the
 12 assessment of real property, the rules of the department of local
 13 government finance shall provide for:

- 14 (1) the classification of land on the basis of:
- 15 (i) **(A)** acreage;
 - 16 (ii) **(B)** lots;
 - 17 (iii) **(C)** size;
 - 18 (iv) **(D)** location;
 - 19 (v) **(E)** use;
 - 20 (vi) **(F)** productivity or earning capacity;
 - 21 (vii) **(G)** applicable zoning provisions;
 - 22 (viii) **(H)** accessibility to highways, sewers, and other public
 23 services or facilities; and
 - 24 (ix) **(I)** any other factor that the department determines by rule
 25 is just and proper; and
- 26 (2) the classification of improvements on the basis of:
- 27 (i) **(A)** size;
 - 28 (ii) **(B)** location;
 - 29 (iii) **(C)** use;
 - 30 (iv) **(D)** type and character of construction;
 - 31 (v) **(E)** age;
 - 32 (vi) **(F)** condition;
 - 33 (vii) **(G)** cost of reproduction; **and**
 - 34 **(H) market segmentation; and**
 - 35 (viii) **(I)** any other factor that the department determines by
 36 rule is just and proper.
- 37 (b) With respect to the assessment of real property, the rules of the
 38 department of local government finance shall include instructions for
 39 determining:
- 40 (1) the proper classification of real property;
 - 41 (2) the size of real property;
 - 42 (3) the effects that location and use have on the value of real



- 1 property;
 2 (4) the productivity or earning capacity of:
 3 (A) agricultural land; and
 4 (B) real property regularly used to rent or otherwise furnish
 5 residential accommodations for periods of thirty (30) days or
 6 more;
 7 (5) sales data for generally comparable properties; and
 8 (6) the true tax value of real property based on the factors listed
 9 in this subsection and any other factor that the department
 10 determines by rule is just and proper.

11 (c) With respect to the assessment of real property, true tax value
 12 does not mean fair market value. ~~Subject to this article, true tax value~~
 13 ~~is the value determined under the rules of the department of local~~
 14 ~~government finance.~~

15 **(d) The value in exchange of an improved property does not**
 16 **reflect the true tax value of the improved property if a market**
 17 **segmentation analysis indicates that purportedly comparable sale**
 18 **properties have a different market or submarket for the current**
 19 **use of the improved property. Any market segmentation analysis**
 20 **must be conducted in conformity with generally accepted appraisal**
 21 **principles and is not limited to the categories of markets and**
 22 **submarkets enumerated in the rules or guidance materials adopted**
 23 **by the department of local government finance.**

24 (e) True tax value does not mean the value of the property to the
 25 user.

26 (f) **Subject to this article, true tax value shall be determined**
 27 **under the rules of the department of local government finance. The**
 28 **department's rules may include examples to illustrate true tax**
 29 **value.**

30 SECTION 19. IC 6-1.1-36-12, AS AMENDED BY P.L.146-2008,
 31 SECTION 289, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) A board of county
 33 commissioners, a county assessor, or a township assessor (if any) may
 34 enter into a contract for the discovery of property that has been
 35 undervalued or omitted from assessment. The contract must prohibit
 36 payment to the contractor for discovery of undervaluation or omission
 37 with respect to a parcel or personal property return before all appeals
 38 of the assessment of the parcel or the assessment under the return have
 39 been finalized. The contract may require the contractor to:

- 40 (1) examine and verify the accuracy of ~~a personal property returns~~
 41 **return** filed by ~~taxpayers~~ **a taxpayer** with the county assessor or
 42 a township assessor of a township in the county, **if the contractor**



1 **considers the examination and verification of that personal**
 2 **property return to be useful to the accuracy of the assessment**
 3 **process; and**

4 (2) compare a return with the books of the taxpayer and with
 5 personal property owned, held, possessed, controlled, or occupied
 6 by the taxpayer, **if the contractor considers the comparison to**
 7 **be useful to the accuracy of the assessment process.**

8 (b) This subsection applies if funds are not appropriated for
 9 payment of services performed under a contract described in subsection
 10 (a). The county auditor may create a special nonreverting fund in which
 11 the county treasurer shall deposit the amount of taxes, including
 12 penalties and interest, that result from additional assessments on
 13 undervalued or omitted property collected from all taxing jurisdictions
 14 in the county after deducting the amount of any property tax credits that
 15 reduce the owner's property tax liability for the undervalued or omitted
 16 property. The fund remains in existence during the term of the contract.
 17 Distributions shall be made from the fund without appropriation only
 18 for the following purposes:

19 (1) All contract fees and other costs related to the contract.

20 (2) After the payments required by subdivision (1) have been
 21 made and the contract has expired, the county auditor shall
 22 distribute all money remaining in the fund to the appropriate
 23 taxing units in the county using the property tax rates of each
 24 taxing unit in effect at the time of the distribution.

25 (c) A board of county commissioners, a county assessor, or a
 26 township assessor may not contract for services under subsection (a) on
 27 a percentage basis.

28 SECTION 20. IC 6-1.5-4-3 IS ADDED TO THE INDIANA CODE
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 30 1, 2016]: **Sec. 3. (a) The Indiana board may do the following in a**
 31 **hearing on a petition for review of an assessment if the Indiana**
 32 **board has admitted into evidence one (1) or more appraisal reports**
 33 **offered by a party:**

34 (1) **The Indiana board may, on its own motion, have a review**
 35 **appraisal prepared by an independent appraiser to review**
 36 **any appraisal submitted by a party to the hearing. The review**
 37 **appraisal must be conducted according to the Uniform**
 38 **Standards of Professional Appraisal Practice and must**
 39 **ascertain whether the value opinion specified in the appraisal**
 40 **that is reviewed is reasonable and supported by the facts**
 41 **included in that appraisal, as well as by other available**
 42 **information.**



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

4 **(b) When making a determination on a petition for review of an**
 5 **assessment, the Indiana board shall base its determination on**
 6 **evidence on the record in the proceeding and on matters officially**
 7 **noticed in the proceeding. However, the Indiana board may**
 8 **consider parts or elements of the evidence submitted by the parties**
 9 **to the proceeding and make a finding of fact that is different from**
 10 **a particular fact that is asserted by a party.**

11 SECTION 21. IC 6-1.5-4-4 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 13 1, 2016]: **Sec. 4. This section applies if the Indiana board in a**
 14 **hearing on a petition for review of an assessment has admitted into**
 15 **evidence two (2) or more appraisal reports offered by the parties**
 16 **to the hearing. For purposes of a review by the Indiana tax court**
 17 **or the Indiana supreme court of a final determination by the**
 18 **Indiana board on a petition for review of an assessment, the fact**
 19 **that a determination by the Indiana board that the value of the**
 20 **property:**

21 **(1) is less than the value of the property included in the**
 22 **appraisal report that contains the highest proposed value of**
 23 **the property; and**

24 **(2) is more than the value of the property included in the**
 25 **appraisal report that contains the lowest proposed value of**
 26 **the property;**

27 **does not by itself constitute an arbitrary or capricious action by the**
 28 **Indiana board, an abuse of discretion by the Indiana board, or a**
 29 **determination by the Indiana board that is unsupported by**
 30 **substantial or reliable evidence.**

31 SECTION 22. IC 6-3.6-2-14.5 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2016]: **Sec. 14.5. "PSAP" means a PSAP (as**
 34 **defined in IC 36-8-16.7-20) that is part of the statewide 911 system**
 35 **(as defined in IC 36-8-16.7-22).**

36 SECTION 23. IC 6-3.6-3-1, AS ADDED BY P.L.243-2015,
 37 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2016]: **Sec. 1. (a) The following is the adopting body for a**
 39 **county:**

40 **(1) The local income tax council in a county in which the county**
 41 **income tax council adopted either:**

42 **(A) a county option income tax under IC 6-3.5-6 (repealed)**



- 1 that was in effect on January 1, 2015; or
 2 (B) a county economic development income tax for the county
 3 under IC 6-3.5-7 (repealed) that was in effect on January 1,
 4 2015.
- 5 (2) The county fiscal body in any other county.
- 6 **(3) The county fiscal body for purposes of adopting a rate**
 7 **dedicated to paying for a PSAP in the county as permitted by**
 8 **IC 6-3.6-6-2.5.**
- 9 (b) A local income tax council is established for each county. The
 10 membership of each county's local income tax council consists of the
 11 fiscal body of the county and the fiscal body of each city or town that
 12 lies either partially or entirely within that county.
- 13 SECTION 24. IC 6-3.6-6-2.5 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2016]: **Sec. 2.5. (a) This section applies to a**
 16 **county in which the adopting body:**
- 17 **(1) is the local income tax council; and**
 18 **(2) did not allocate the revenue under this chapter from an**
 19 **expenditure rate of at least one-tenth of one percent (0.1%) to**
 20 **pay for a PSAP in the county for a year.**
- 21 **(b) A county fiscal body may adopt an ordinance to impose a tax**
 22 **rate for a PSAP in the county. The tax rate must be in increments**
 23 **of one-hundredth of one percent (0.01%) and may not exceed**
 24 **one-tenth of one percent (0.1%).**
- 25 **(c) The revenue generated by a tax rate imposed under this**
 26 **section must be distributed directly to the county before the**
 27 **remainder of the expenditure rate revenue is distributed. The**
 28 **revenue shall be maintained in a separate dedicated county fund**
 29 **and used only for paying for a PSAP in the county.**
- 30 SECTION 25. IC 6-3.6-6-3, AS ADDED BY P.L.243-2015,
 31 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2016]: Sec. 3. Revenue raised from a tax imposed under this
 33 chapter shall be treated as follows:
- 34 **(1) If an ordinance described in section 2.5 of this chapter is**
 35 **in effect in a county, to make a distribution to the county**
 36 **equal to the amount of revenue generated by the rate imposed**
 37 **under section 2.5 of this chapter.**
- 38 **(+) (2) After making the distribution described in subdivision**
 39 **(1), if any, to make distributions to school corporations and civil**
 40 **taxing units in counties that formerly imposed a tax under**
 41 **IC 6-3.5-1.1. The revenue categorized from the first next**
 42 **twenty-five hundredths percent (0.25%) of the rate for a former**



1 tax adopted under IC 6-3.5-1.1 shall be allocated to school
 2 corporations and civil taxing units. The amount of the allocation
 3 to a school corporation or civil taxing unit shall be determined
 4 using the allocation amounts for civil taxing units and school
 5 corporations in the determination.

6 ~~(2)~~ **(3) After making the distributions described in**
 7 **subdivisions (1) and (2),** the remaining revenue shall be treated
 8 as additional revenue (referred to as "additional revenue" in this
 9 chapter). Additional revenue may not be considered by the
 10 department of local government finance in determining:

11 (A) any taxing unit's maximum permissible property tax levy
 12 limit under IC 6-1.1-18.5; or

13 (B) the approved property tax rate for any fund.

14 SECTION 26. IC 6-3.6-6-11, AS ADDED BY P.L.243-2015,
 15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2016]: Sec. 11. (a) Except as provided in this chapter and
 17 IC 6-3.6-11, this section applies to an allocation of certified shares in
 18 all counties.

19 (b) Subject to this chapter, any civil taxing unit that imposes an ad
 20 valorem property tax in the county that has a tax rate in effect under
 21 this chapter is eligible for an allocation under this chapter.

22 (c) A school corporation is not a civil taxing unit for the purpose of
 23 receiving an allocation of certified shares under this chapter. The
 24 distributions to school corporations and civil taxing units in counties
 25 that formerly imposed a tax under IC 6-3.5-1.1 as provided in section
 26 ~~3(1)~~ **3(2)** of this chapter is not considered an allocation of certified
 27 shares. A school corporation's allocation amount for purposes of
 28 section ~~3(1)~~ **3(2)** of this chapter shall be determined under section 12
 29 of this chapter.

30 (d) A county solid waste management district (as defined in
 31 IC 13-11-2-47) or a joint solid waste management district (as defined
 32 in IC 13-11-2-113) is not a civil taxing unit for the purpose of receiving
 33 an allocation of certified shares under this chapter unless a majority of
 34 the members of each of the county fiscal bodies of the counties within
 35 the district passes a resolution approving the distribution.

36 (e) A resolution passed by a county fiscal body under subsection (d)
 37 may:

38 (1) expire on a date specified in the resolution; or

39 (2) remain in effect until the county fiscal body revokes or
 40 rescinds the resolution.

41 SECTION 27. IC 6-3.6-6-12, AS ADDED BY P.L.243-2015,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2016]: Sec. 12. (a) Except as provided in this chapter and
 2 IC 6-3.6-11, this section applies to an allocation of certified shares in
 3 all counties.

4 (b) The allocation amount of a civil taxing unit during a calendar
 5 year is equal to the amount determined using the following formula:

6 STEP ONE: Determine the sum of the total property taxes being
 7 imposed by the civil taxing unit during the calendar year of the
 8 distribution.

9 STEP TWO: Determine the sum of the following:

10 (A) Amounts appropriated from property taxes to pay the
 11 principal of or interest on any debenture or other debt
 12 obligation issued after June 30, 2005, other than an obligation
 13 described in subsection (c).

14 (B) Amounts appropriated from property taxes to make
 15 payments on any lease entered into after June 30, 2005, other
 16 than a lease described in subsection (d).

17 STEP THREE: Subtract the STEP TWO amount from the STEP
 18 ONE amount.

19 STEP FOUR: Determine the sum of:

20 (A) the STEP THREE amount; plus

21 (B) the civil taxing unit's certified shares plus the amount
 22 distributed under section ~~3(1)~~ **3(2)** of this chapter for the
 23 previous calendar year.

24 The allocation amount is subject to adjustment as provided in
 25 IC 36-8-19-7.5.

26 (c) Except as provided in this subsection, an appropriation from
 27 property taxes to repay interest and principal of a debt obligation is not
 28 deducted from the allocation amount for a civil taxing unit if:

29 (1) the debt obligation was issued; and

30 (2) the proceeds were appropriated from property taxes;

31 to refund or otherwise refinance a debt obligation or a lease issued
 32 before July 1, 2005. However, an appropriation from property taxes
 33 related to a debt obligation issued after June 30, 2005, is deducted if
 34 the debt extends payments on a debt or lease beyond the time in which
 35 the debt or lease would have been payable if the debt or lease had not
 36 been refinanced or increases the total amount that must be paid on a
 37 debt or lease in excess of the amount that would have been paid if the
 38 debt or lease had not been refinanced. The amount of the deduction is
 39 the annual amount for each year of the extension period or the annual
 40 amount of the increase over the amount that would have been paid.

41 (d) Except as provided in this subsection, an appropriation from
 42 property taxes to make payments on a lease is not deducted from the



1 allocation amount for a civil taxing unit if:

2 (1) the lease was issued; and

3 (2) the proceeds were appropriated from property taxes;

4 to refinance a debt obligation or lease issued before July 1, 2005.

5 However, an appropriation from property taxes related to a lease

6 entered into after June 30, 2005, is deducted if the lease extends

7 payments on a debt or lease beyond the time in which the debt or lease

8 would have been payable if the debt or lease had not been refinanced

9 or increases the total amount that must be paid on a debt or lease in

10 excess of the amount that would have been paid if the debt or lease had

11 not been refinanced. The amount of the deduction is the annual amount

12 for each year of the extension period or the annual amount of the

13 increase over the amount that would have been paid.

14 SECTION 28. IC 6-3.6-6-20, AS ADDED BY P.L.243-2015,

15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

16 JULY 1, 2016]: Sec. 20. (a) This section applies to any allocation or

17 distribution of revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this

18 chapter that is made on the basis of property tax levies. If a school

19 corporation or civil taxing unit of an adopting county does not impose

20 a property tax levy that is first due and payable in a calendar year in

21 which revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter is

22 being allocated or distributed, that school corporation or civil taxing

23 unit is entitled to receive a part of the revenue under section ~~3(1)~~ or

24 3(2) or **3(3)** of this chapter (as appropriate) to be distributed within the

25 county. The fractional amount that such a school corporation or civil

26 taxing unit is entitled to receive each month during that calendar year

27 equals the product of the following:

28 (1) The amount of revenue under section ~~3(1)~~ or 3(2) or **3(3)** of

29 this chapter to be distributed on the basis of property tax levies

30 during that month; multiplied by

31 (2) A fraction. The numerator of the fraction equals the budget of

32 that school corporation or civil taxing unit for that calendar year.

33 The denominator of the fraction equals the aggregate budgets of

34 all school corporations or civil taxing units of that county for that

35 calendar year.

36 (b) If for a calendar year a school corporation or civil taxing unit is

37 allocated a part of a county's revenue under section ~~3(1)~~ or 3(2) or **3(3)**

38 of this chapter by subsection (a), the calculations used to determine the

39 shares of revenue of all other school corporations and civil taxing units

40 under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter (as appropriate) shall

41 be changed each month for that same year by reducing the amount of

42 revenue to be distributed by the amount of revenue under section ~~3(1)~~



1 or 3(2) or 3(3) of this chapter allocated under subsection (a) for that
 2 same month. The department of local government finance shall make
 3 any adjustments required by this subsection and provide them to the
 4 appropriate county auditors.

5 SECTION 29. IC 6-3.6-9-10, AS ADDED BY P.L.243-2015,
 6 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2016]: Sec. 10. The budget agency shall also certify
 8 information concerning the part of the certified distribution that is
 9 attributable to each of the following:

10 (1) The tax rate imposed under IC 6-3.6-5.

11 (2) The tax rate imposed under IC 6-3.6-6, **separately stating the**
 12 **part of the distribution attributable to a tax rate imposed**
 13 **under IC 6-3.6-6-2.5.**

14 (3) Each tax rate imposed under IC 6-3.6-7.

15 The amount certified shall be adjusted to reflect any adjustment in the
 16 certified distribution under this chapter.

17 SECTION 30. IC 12-20-21-3.2, AS AMENDED BY P.L.249-2015,
 18 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 3.2. (a) **As used in this section, "assessed**
 20 **value growth quotient" refers to:**

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

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

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

34 (1) the statewide average township assistance property tax rate (as
 35 determined by the department of local government finance) for
 36 property taxes first due and payable in the preceding year;
 37 multiplied by

38 (2) twelve (12).

39 ~~(b)~~ (c) Notwithstanding any other law, beginning with property
 40 taxes first due and payable in the year following the year in which this
 41 section first applies to the township, as provided in subsection ~~(a)~~, (b),
 42 the department of local government finance shall do the following in



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



1 ~~(a)~~; **(b)**; by
 2 (B) the assessed value growth quotient ~~under IC 6-1.1-18.5-2~~
 3 that is applicable to the township for property taxes first due
 4 and payable in the year following the year in which this
 5 section first applies to the township, as provided in subsection
 6 ~~(a)~~; **(b)**.
 7 STEP TWO: Subtract the STEP ONE result from the maximum
 8 permissible ad valorem property tax levy that would otherwise
 9 apply for the township's general fund.
 10 The adjustment under this subsection applies beginning with property
 11 taxes first due and payable in the year following the year in which this
 12 section first applies to the township, as provided in subsection ~~(a)~~; **(b)**.
 13 ~~(f)~~ **(g)** The property taxes collected from a township's township
 14 assistance administration property tax levy:
 15 (1) shall be deposited into a separate fund;
 16 (2) shall be used only for the administration of township
 17 assistance within the township; and
 18 (3) shall not be used to pay township assistance to any person.
 19 ~~(g)~~ **(h)** The property taxes collected from a township's township
 20 assistance benefits property tax levy:
 21 (1) shall be deposited into a separate fund;
 22 (2) shall be used only for the purpose of paying township
 23 assistance to eligible recipients; and
 24 (3) shall not be used to pay for the administration of township
 25 assistance within the township.
 26 ~~(h)~~ **(i)** Except as provided in this section, references in the Indiana
 27 Code to a township assistance property tax levy shall, in the case of a
 28 township subject to this section, be considered a reference to the
 29 township's township assistance benefits property tax levy and the
 30 township's township assistance administration property tax levy.
 31 SECTION 31. IC 12-29-2-2, AS AMENDED BY P.L.153-2014,
 32 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 UPON PASSAGE]: Sec. 2. (a) A county shall fund the operation of
 34 community mental health centers in the amount determined under
 35 subsection (b), unless a lower tax levy amount will be adequate to
 36 fulfill the county's financial obligations under this chapter in any of the
 37 following situations:
 38 (1) If the total population of the county is served by one (1)
 39 center.
 40 (2) If the total population of the county is served by more than one
 41 (1) center.
 42 (3) If the partial population of the county is served by one (1)



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



1 division of mental health and addiction the part of the funding
 2 determined under subsection (b) that is appropriated solely for funding
 3 the operations of a community health center. The funding required
 4 under this section for operations of a community health center shall be
 5 paid by the county to the division of mental health and addiction. These
 6 funds shall be used solely for satisfying the non-federal share of
 7 medical assistance payments to community mental health centers
 8 serving the county for:

- 9 (1) allowable administrative services; and
 10 (2) community mental health rehabilitation services.

11 All other funding appropriated for the purposes allowed under section
 12 1.2(b)(1) of this chapter shall be paid by the county directly to the
 13 community mental health center semiannually at the times that the
 14 payments are made under subsection (e).

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

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

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

- 35 (1) shall first apply state funding to a community mental health
 36 center's non-federal share of funding under this program; and
 37 (2) may next apply county funding received under this section to
 38 any remaining non-federal share of funding for the community
 39 mental health center.

40 The division shall distribute any excess state funds that exceed the
 41 community mental health rehabilitation services non-federal share
 42 applied to a community mental health center that is entitled to the



1 excess state funds.

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

5 SECTION 32. IC 20-46-4-6, AS AMENDED BY P.L.137-2012,
6 SECTION 113, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a) As used in this section,**
8 **"assessed value growth quotient" refers to the assessed value**
9 **growth quotient determined under IC 6-1.1-18.5-2(d) for the**
10 **county in which the school corporation is located.**

11 ~~(a)~~ **(b)** The levy imposed for an assessment date before January 16,
12 2011, may not exceed the maximum permissible levy permitted under
13 this section as this section was effective on January 1, 2011.

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

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

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

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

39 (1) the school corporation's maximum permissible levy is
40 recalculated for calendar year 2009 to eliminate any loss in the
41 school corporation's maximum permissible levy for the fund; and

42 (2) the school corporation is treated as having levied the entire



1 amount of the school corporation's recalculated maximum
 2 permissible levy for the fund in 2009, 2010, and 2011;
 3 as determined by the department of local government finance. The
 4 adjustment under this subsection is a permanent adjustment in the
 5 school corporation's maximum permissible levy for the fund.

6 SECTION 33. IC 20-46-5-4, AS AMENDED BY P.L.145-2012,
 7 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 UPON PASSAGE]: Sec. 4. **(a) As used in this section, "assessed
 9 value growth quotient" refers to the assessed value growth
 10 quotient determined under IC 6-1.1-18.5-2(d) for the county in
 11 which the school corporation is located.**

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

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

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

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



1 SECTION 34. IC 36-7-14-39, AS AMENDED BY P.L.87-2015,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2016]: Sec. 39. (a) As used in this section:

4 "Allocation area" means that part of a redevelopment project area
 5 to which an allocation provision of a declaratory resolution adopted
 6 under section 15 of this chapter refers for purposes of distribution and
 7 allocation of property taxes.

8 "Base assessed value" means the following:

9 (1) If an allocation provision is adopted after June 30, 1995, in a
 10 declaratory resolution or an amendment to a declaratory
 11 resolution establishing an economic development area:

12 (A) the net assessed value of all the property as finally
 13 determined for the assessment date immediately preceding the
 14 effective date of the allocation provision of the declaratory
 15 resolution, as adjusted under subsection (h); plus

16 (B) to the extent that it is not included in clause (A), the net
 17 assessed value of property that is assessed as residential
 18 property under the rules of the department of local government
 19 finance, as finally determined for any assessment date after the
 20 effective date of the allocation provision.

21 (2) If an allocation provision is adopted after June 30, 1997, in a
 22 declaratory resolution or an amendment to a declaratory
 23 resolution establishing a redevelopment project area:

24 (A) the net assessed value of all the property as finally
 25 determined for the assessment date immediately preceding the
 26 effective date of the allocation provision of the declaratory
 27 resolution, as adjusted under subsection (h); plus

28 (B) to the extent that it is not included in clause (A), the net
 29 assessed value of property that is assessed as residential
 30 property under the rules of the department of local government
 31 finance, as finally determined for any assessment date after the
 32 effective date of the allocation provision.

33 (3) If:

34 (A) an allocation provision adopted before June 30, 1995, in
 35 a declaratory resolution or an amendment to a declaratory
 36 resolution establishing a redevelopment project area expires
 37 after June 30, 1997; and

38 (B) after June 30, 1997, a new allocation provision is included
 39 in an amendment to the declaratory resolution;

40 the net assessed value of all the property as finally determined for
 41 the assessment date immediately preceding the effective date of
 42 the allocation provision adopted after June 30, 1997, as adjusted



1 under subsection (h).
 2 (4) Except as provided in subdivision (5), for all other allocation
 3 areas, the net assessed value of all the property as finally
 4 determined for the assessment date immediately preceding the
 5 effective date of the allocation provision of the declaratory
 6 resolution, as adjusted under subsection (h).
 7 (5) If an allocation area established in an economic development
 8 area before July 1, 1995, is expanded after June 30, 1995, the
 9 definition in subdivision (1) applies to the expanded part of the
 10 area added after June 30, 1995.
 11 (6) If an allocation area established in a redevelopment project
 12 area before July 1, 1997, is expanded after June 30, 1997, the
 13 definition in subdivision (2) applies to the expanded part of the
 14 area added after June 30, 1997.

15 Except as provided in section 39.3 of this chapter, "property taxes"
 16 means taxes imposed under IC 6-1.1 on real property. However, upon
 17 approval by a resolution of the redevelopment commission adopted
 18 before June 1, 1987, "property taxes" also includes taxes imposed
 19 under IC 6-1.1 on depreciable personal property. If a redevelopment
 20 commission adopted before June 1, 1987, a resolution to include within
 21 the definition of property taxes, taxes imposed under IC 6-1.1 on
 22 depreciable personal property that has a useful life in excess of eight
 23 (8) years, the commission may by resolution determine the percentage
 24 of taxes imposed under IC 6-1.1 on all depreciable personal property
 25 that will be included within the definition of property taxes. However,
 26 the percentage included must not exceed twenty-five percent (25%) of
 27 the taxes imposed under IC 6-1.1 on all depreciable personal property.

28 (b) A declaratory resolution adopted under section 15 of this chapter
 29 on or before the allocation deadline determined under subsection ~~(f)~~ **(l)**
 30 may include a provision with respect to the allocation and distribution
 31 of property taxes for the purposes and in the manner provided in this
 32 section. A declaratory resolution previously adopted may include an
 33 allocation provision by the amendment of that declaratory resolution on
 34 or before the allocation deadline determined under subsection ~~(f)~~ **(l)** in
 35 accordance with the procedures required for its original adoption. A
 36 declaratory resolution or amendment that establishes an allocation
 37 provision must include a specific finding of fact, supported by
 38 evidence, that the adoption of the allocation provision will result in
 39 new property taxes in the area that would not have been generated but
 40 for the adoption of the allocation provision. For an allocation area
 41 established before July 1, 1995, the expiration date of any allocation
 42 provisions for the allocation area is June 30, 2025, or the last date of



1 any obligations that are outstanding on July 1, 2015, whichever is later.
 2 A declaratory resolution or an amendment that establishes an allocation
 3 provision after June 30, 1995, must specify an expiration date for the
 4 allocation provision. For an allocation area established before July 1,
 5 2008, the expiration date may not be more than thirty (30) years after
 6 the date on which the allocation provision is established. For an
 7 allocation area established after June 30, 2008, the expiration date may
 8 not be more than twenty-five (25) years after the date on which the first
 9 obligation was incurred to pay principal and interest on bonds or lease
 10 rentals on leases payable from tax increment revenues. However, with
 11 respect to bonds or other obligations that were issued before July 1,
 12 2008, if any of the bonds or other obligations that were scheduled when
 13 issued to mature before the specified expiration date and that are
 14 payable only from allocated tax proceeds with respect to the allocation
 15 area remain outstanding as of the expiration date, the allocation
 16 provision does not expire until all of the bonds or other obligations are
 17 no longer outstanding. The allocation provision may apply to all or part
 18 of the redevelopment project area. The allocation provision must
 19 require that any property taxes subsequently levied by or for the benefit
 20 of any public body entitled to a distribution of property taxes on taxable
 21 property in the allocation area be allocated and distributed as follows:
 22 (1) Except as otherwise provided in this section, the proceeds of
 23 the taxes attributable to the lesser of:
 24 (A) the assessed value of the property for the assessment date
 25 with respect to which the allocation and distribution is made;
 26 or
 27 (B) the base assessed value;
 28 shall be allocated to and, when collected, paid into the funds of
 29 the respective taxing units.
 30 (2) The excess of the proceeds of the property taxes imposed for
 31 the assessment date with respect to which the allocation and
 32 distribution is made that are attributable to taxes imposed after
 33 being approved by the voters in a referendum or local public
 34 question conducted after April 30, 2010, not otherwise included
 35 in subdivision (1) shall be allocated to and, when collected, paid
 36 into the funds of the taxing unit for which the referendum or local
 37 public question was conducted.
 38 (3) Except as otherwise provided in this section, property tax
 39 proceeds in excess of those described in subdivisions (1) and (2)
 40 shall be allocated to the redevelopment district and, when
 41 collected, paid into an allocation fund for that allocation area that
 42 may be used by the redevelopment district only to do one (1) or



- 1 more of the following:
- 2 (A) Pay the principal of and interest on any obligations
- 3 payable solely from allocated tax proceeds which are incurred
- 4 by the redevelopment district for the purpose of financing or
- 5 refinancing the redevelopment of that allocation area.
- 6 (B) Establish, augment, or restore the debt service reserve for
- 7 bonds payable solely or in part from allocated tax proceeds in
- 8 that allocation area.
- 9 (C) Pay the principal of and interest on bonds payable from
- 10 allocated tax proceeds in that allocation area and from the
- 11 special tax levied under section 27 of this chapter.
- 12 (D) Pay the principal of and interest on bonds issued by the
- 13 unit to pay for local public improvements that are physically
- 14 located in or physically connected to that allocation area.
- 15 (E) Pay premiums on the redemption before maturity of bonds
- 16 payable solely or in part from allocated tax proceeds in that
- 17 allocation area.
- 18 (F) Make payments on leases payable from allocated tax
- 19 proceeds in that allocation area under section 25.2 of this
- 20 chapter.
- 21 (G) Reimburse the unit for expenditures made by it for local
- 22 public improvements (which include buildings, parking
- 23 facilities, and other items described in section 25.1(a) of this
- 24 chapter) that are physically located in or physically connected
- 25 to that allocation area.
- 26 (H) Reimburse the unit for rentals paid by it for a building or
- 27 parking facility that is physically located in or physically
- 28 connected to that allocation area under any lease entered into
- 29 under IC 36-1-10.
- 30 (I) For property taxes first due and payable before January 1,
- 31 2009, pay all or a part of a property tax replacement credit to
- 32 taxpayers in an allocation area as determined by the
- 33 redevelopment commission. This credit equals the amount
- 34 determined under the following STEPS for each taxpayer in a
- 35 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 36 part of the allocation area:
- 37 STEP ONE: Determine that part of the sum of the amounts
- 38 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 39 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 40 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 41 the taxing district.
- 42 STEP TWO: Divide:



- 1 (i) that part of each county's eligible property tax
 2 replacement amount (as defined in IC 6-1.1-21-2 (before its
 3 repeal)) for that year as determined under IC 6-1.1-21-4
 4 (before its repeal) that is attributable to the taxing district;
 5 by
 6 (ii) the STEP ONE sum.
- 7 STEP THREE: Multiply:
 8 (i) the STEP TWO quotient; times
 9 (ii) the total amount of the taxpayer's taxes (as defined in
 10 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 11 that have been allocated during that year to an allocation
 12 fund under this section.
- 13 If not all the taxpayers in an allocation area receive the credit
 14 in full, each taxpayer in the allocation area is entitled to
 15 receive the same proportion of the credit. A taxpayer may not
 16 receive a credit under this section and a credit under section
 17 39.5 of this chapter (before its repeal) in the same year.
- 18 (J) Pay expenses incurred by the redevelopment commission
 19 for local public improvements that are in the allocation area or
 20 serving the allocation area. Public improvements include
 21 buildings, parking facilities, and other items described in
 22 section 25.1(a) of this chapter.
- 23 (K) Reimburse public and private entities for expenses
 24 incurred in training employees of industrial facilities that are
 25 located:
 26 (i) in the allocation area; and
 27 (ii) on a parcel of real property that has been classified as
 28 industrial property under the rules of the department of local
 29 government finance.
- 30 However, the total amount of money spent for this purpose in
 31 any year may not exceed the total amount of money in the
 32 allocation fund that is attributable to property taxes paid by the
 33 industrial facilities described in this clause. The
 34 reimbursements under this clause must be made within three
 35 (3) years after the date on which the investments that are the
 36 basis for the increment financing are made.
- 37 (L) Pay the costs of carrying out an eligible efficiency project
 38 (as defined in IC 36-9-41-1.5) within the unit that established
 39 the redevelopment commission. However, property tax
 40 proceeds may be used under this clause to pay the costs of
 41 carrying out an eligible efficiency project only if those
 42 property tax proceeds exceed the amount necessary to do the



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- following:
- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 1 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:
 - (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
 - (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units



1 the amount, if any, of excess assessed value determined by the
 2 commission. The commission may not authorize an allocation
 3 of assessed value to the respective taxing units under this
 4 subdivision if to do so would endanger the interests of the
 5 holders of bonds described in subdivision (3) or lessors under
 6 section 25.3 of this chapter.

7 (C) If:

8 (i) the amount of excess assessed value determined by the
 9 commission is expected to generate more than two hundred
 10 percent (200%) of the amount of allocated tax proceeds
 11 necessary to make, when due, principal and interest
 12 payments on bonds described in subdivision (3); plus

13 (ii) the amount necessary for other purposes described in
 14 subdivision (3);

15 the commission shall submit to the legislative body of the unit
 16 its determination of the excess assessed value that the
 17 commission proposes to allocate to the respective taxing units
 18 in the manner prescribed in subdivision (1). The legislative
 19 body of the unit may approve the commission's determination
 20 or modify the amount of the excess assessed value that will be
 21 allocated to the respective taxing units in the manner
 22 prescribed in subdivision (1).

23 (c) For the purpose of allocating taxes levied by or for any taxing
 24 unit or units, the assessed value of taxable property in a territory in the
 25 allocation area that is annexed by any taxing unit after the effective
 26 date of the allocation provision of the declaratory resolution is the
 27 lesser of:

28 (1) the assessed value of the property for the assessment date with
 29 respect to which the allocation and distribution is made; or

30 (2) the base assessed value.

31 (d) Property tax proceeds allocable to the redevelopment district
 32 under subsection (b)(3) may, subject to subsection (b)(4), be
 33 irrevocably pledged by the redevelopment district for payment as set
 34 forth in subsection (b)(3).

35 (e) Notwithstanding any other law, each assessor shall, upon
 36 petition of the redevelopment commission, reassess the taxable
 37 property situated upon or in, or added to, the allocation area, effective
 38 on the next assessment date after the petition.

39 (f) Notwithstanding any other law, the assessed value of all taxable
 40 property in the allocation area, for purposes of tax limitation, property
 41 tax replacement, and formulation of the budget, tax rate, and tax levy
 42 for each political subdivision in which the property is located is the



1 lesser of:

- 2 (1) the assessed value of the property as valued without regard to
3 this section; or
4 (2) the base assessed value.

5 (g) If any part of the allocation area is located in an enterprise zone
6 created under IC 5-28-15, the unit that designated the allocation area
7 shall create funds as specified in this subsection. A unit that has
8 obligations, bonds, or leases payable from allocated tax proceeds under
9 subsection (b)(3) shall establish an allocation fund for the purposes
10 specified in subsection (b)(3) and a special zone fund. Such a unit
11 shall, until the end of the enterprise zone phase out period, deposit each
12 year in the special zone fund any amount in the allocation fund derived
13 from property tax proceeds in excess of those described in subsection
14 (b)(1) and (b)(2) from property located in the enterprise zone that
15 exceeds the amount sufficient for the purposes specified in subsection
16 (b)(3) for the year. The amount sufficient for purposes specified in
17 subsection (b)(3) for the year shall be determined based on the pro rata
18 portion of such current property tax proceeds from the part of the
19 enterprise zone that is within the allocation area as compared to all
20 such current property tax proceeds derived from the allocation area. A
21 unit that has no obligations, bonds, or leases payable from allocated tax
22 proceeds under subsection (b)(3) shall establish a special zone fund
23 and deposit all the property tax proceeds in excess of those described
24 in subsection (b)(1) and (b)(2) in the fund derived from property tax
25 proceeds in excess of those described in subsection (b)(1) and (b)(2)
26 from property located in the enterprise zone. The unit that creates the
27 special zone fund shall use the fund (based on the recommendations of
28 the urban enterprise association) for programs in job training, job
29 enrichment, and basic skill development that are designed to benefit
30 residents and employers in the enterprise zone or other purposes
31 specified in subsection (b)(3), except that where reference is made in
32 subsection (b)(3) to allocation area it shall refer for purposes of
33 payments from the special zone fund only to that part of the allocation
34 area that is also located in the enterprise zone. Those programs shall
35 reserve at least one-half (1/2) of their enrollment in any session for
36 residents of the enterprise zone.

37 (h) The state board of accounts and department of local government
38 finance shall make the rules and prescribe the forms and procedures
39 that they consider expedient for the implementation of this chapter.
40 After each general reassessment of real property in an area under
41 IC 6-1.1-4-4 and after each reassessment in an area under a
42 reassessment plan prepared under IC 6-1.1-4-4.2, the department of



1 local government finance shall adjust the base assessed value one (1)
 2 time to neutralize any effect of the reassessment of the real property in
 3 the area on the property tax proceeds allocated to the redevelopment
 4 district under this section. After each annual adjustment under
 5 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 6 the base assessed value one (1) time to neutralize any effect of the
 7 annual adjustment on the property tax proceeds allocated to the
 8 redevelopment district under this section. However, the adjustments
 9 under this subsection:

10 (1) may not include the effect of phasing in assessed value due to
 11 property tax abatements under IC 6-1.1-12.1 **that are described**
 12 **in subsections (i) and (k);**

13 (2) may not produce less property tax proceeds allocable to the
 14 redevelopment district under subsection (b)(3) than would
 15 otherwise have been received if the general reassessment, the
 16 reassessment under the reassessment plan, or the annual
 17 adjustment had not occurred; and

18 (3) may decrease base assessed value only to the extent that
 19 assessed values in the allocation area have been decreased due to
 20 annual adjustments or the reassessment under the reassessment
 21 plan.

22 ~~Assessed value increases attributable to the application of an abatement~~
 23 ~~schedule under IC 6-1.1-12.1 may not be included in the base assessed~~
 24 ~~value of an allocation area. The department of local government~~
 25 ~~finance may prescribe procedures for county and township officials to~~
 26 ~~follow to assist the department in making the adjustments.~~

27 **(i) In the case of assessed value increases attributable to the**
 28 **application of an abatement schedule adopted under IC 6-1.1-12.1**
 29 **before July 1, 2016, the assessed value increases attributable to the**
 30 **application of the abatement schedule may not be included in the**
 31 **base assessed value of an allocation area.**

32 **(j) In the case of assessed value increases attributable to the**
 33 **application of an abatement schedule that is adopted under**
 34 **IC 6-1.1-12.1:**

35 **(1) after June 30, 2016; but**

36 **(2) before the date on which the allocation area is established;**
 37 **the assessed value increases attributable to the application of the**
 38 **abatement schedule must be included in the base assessed value of**
 39 **the allocation area, and may not be included in the incremental**
 40 **assessed value of the allocation area.**

41 **(k) In the case of assessed value increases attributable to the**
 42 **application of an abatement schedule that is adopted under**



1 **IC 6-1.1-12.1:**

2 **(1) after June 30, 2016; and**

3 **(2) on or after the date on which the allocation area is**
 4 **established;**

5 **assessed value increases attributable to the application of an**
 6 **abatement schedule under IC 6-1.1-12.1 may be included in the**
 7 **incremental assessed value of the allocation area, but only to the**
 8 **extent that the assessed value increase is a direct result of funding**
 9 **or expenditures from the allocation area as determined by the**
 10 **fiscal body of the unit that established the redevelopment**
 11 **commission. The assessed value increases under this section that**
 12 **are not allocated to the incremental assessed value of the allocation**
 13 **area must be included in the base assessed value of the allocation**
 14 **area.**

15 **(†) (I) The allocation deadline referred to in subsection (b) is**
 16 **determined in the following manner:**

17 **(1) The initial allocation deadline is December 31, 2011.**

18 **(2) Subject to subdivision (3), the initial allocation deadline and**
 19 **subsequent allocation deadlines are automatically extended in**
 20 **increments of five (5) years, so that allocation deadlines**
 21 **subsequent to the initial allocation deadline fall on December 31,**
 22 **2016, and December 31 of each fifth year thereafter.**

23 **(3) At least one (1) year before the date of an allocation deadline**
 24 **determined under subdivision (2), the general assembly may enact**
 25 **a law that:**

26 **(A) terminates the automatic extension of allocation deadlines**
 27 **under subdivision (2); and**

28 **(B) specifically designates a particular date as the final**
 29 **allocation deadline.**

30 **SECTION 35. IC 36-7-15.1-26.3 IS ADDED TO THE INDIANA**
 31 **CODE AS A NEW SECTION TO READ AS FOLLOWS**
 32 **[EFFECTIVE JULY 1, 2016]: Sec. 26.3. (a) Notwithstanding section**
 33 **26 of this chapter, the commission shall adopt a resolution**
 34 **establishing a new base assessed value for the economic**
 35 **development area known as the Marion County Airport Economic**
 36 **Development Area. The new base assessed value shall be used**
 37 **beginning with the 2017 assessment date. The new base assessed**
 38 **value is subject to adjustment under section 26(h) of this chapter.**

39 **(b) The new base assessed value under subsection (a) is the base**
 40 **assessed value used in 2016 plus the amount, as determined by the**
 41 **commission, that will result in incremental assessed value that is**
 42 **expected to generate not more than one hundred fifty percent**



1 (150%) of the amount of allocated property tax proceeds necessary
 2 to make, when due, principal and interest payments on those bonds
 3 payable from property taxes in the area that are denominated on
 4 January 1, 2016, as series 2007 and 2007A.

5 (c) The commission shall also submit to the fiscal body of the
 6 county the commission's determination of the base assessed value
 7 that will be allocated to the respective taxing units as a result of the
 8 increase to the base assessed value under this section.

9 SECTION 36. [EFFECTIVE UPON PASSAGE] (a) The following
 10 statutes, each as amended by this act, apply to budgets, property
 11 tax rates, and property tax levies determined with respect to
 12 property taxes first due and payable in a calendar year beginning
 13 after December 31, 2016:

14 (1) IC 6-1.1-17-20.3.

15 (2) IC 6-1.1-18-5.

16 (3) IC 12-20-21-3.2.

17 (4) IC 12-29-2-2.

18 (5) IC 20-46-4-6.

19 (6) IC 20-46-5-4.

20 (b) This SECTION expires January 1, 2019.

21 SECTION 37. [EFFECTIVE JANUARY 1, 2008
 22 (RETROACTIVE)] (a) This SECTION applies to a taxpayer
 23 notwithstanding IC 6-1.1-11 or any other law or administrative
 24 rule or provision.

25 (b) This SECTION applies to an assessment date (as defined in
 26 IC 6-1.1-1-2) occurring after December 31, 2007, and before
 27 January 1, 2011.

28 (c) As used in this SECTION, "taxpayer" refers to an Indiana
 29 nonprofit corporation that owns a hospital and associated office
 30 buildings used for medical purposes.

31 (d) A taxpayer, after January 15, 2016, and before May 1, 2016,
 32 may file in any manner consistent with IC 6-1.1-36-1.5 property tax
 33 exemption applications, along with any supporting documents,
 34 claiming exemptions from real property taxes under IC 6-1.1-10-16
 35 or IC 6-1.1-10-18.5 for any assessment date described in subsection
 36 (b).

37 (e) If the real property for which an exemption application is
 38 filed under this SECTION would have qualified for an exemption
 39 under IC 6-1.1-10-16 or IC 6-1.1-10-18.5 for an assessment date
 40 described in subsection (b) if an exemption application had been
 41 timely filed:

42 (1) the property tax exemption is allowed; and



- 1 (2) the property tax exemption application filed under this
2 SECTION is considered to have been timely filed.
- 3 (f) A taxpayer is deemed to be the owner of the real property
4 and is entitled to the exemption from real property tax as claimed
5 on any property tax exemption application filed under this
6 SECTION, regardless of whether:
- 7 (1) a property tax exemption application was previously filed
8 for the same or similar property for the assessment date;
9 (2) the county property tax assessment board of appeals has
10 issued a final determination regarding any previously filed
11 property tax exemption application for the assessment date;
12 (3) the taxpayer or any entity affiliated with the taxpayer
13 appealed any denial of a previously filed property tax
14 exemption application for the assessment date; or
15 (4) the records of the county in which the property subject to
16 the property tax exemption application at any time before
17 January 1, 2011, identified the taxpayer as the owner of the
18 property for which a property tax exemption is claimed.
- 19 (g) The property tax exemptions claimed by a taxpayer under
20 this SECTION are considered approved without further action
21 being required by the county assessor or the county property tax
22 assessment board of appeals for the county in which the property
23 subject to the property tax exemption application is located. This
24 exemption approval is final and may not be appealed by the county
25 assessor, the county property tax assessment board of appeals, or
26 any member of the county property tax assessment board of
27 appeals.
- 28 (h) A taxpayer who files a property tax exemption application
29 under this SECTION is not entitled to a refund of real property tax
30 paid with respect to the property for which a property tax
31 exemption is approved under this SECTION.
- 32 (i) The auditor of the county in which a property subject to any
33 property tax exemption application that is allowed under this
34 SECTION is located shall remove all penalties assigned to the
35 property as of January 1, 2016. The penalties shall be removed
36 regardless of when they accrued and whether they relate to an
37 assessment date identified in subsection (b) or a different
38 assessment date.
- 39 (j) This SECTION expires January 1, 2018.
- 40 SECTION 38. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 308, 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:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-3-14, AS AMENDED BY P.L.146-2008, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. The township assessor, or the county assessor if there is no township assessor for the township, ~~shall:~~ **may:**

- (1) examine and verify; or
- (2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of ~~each~~ a personal property return filed with the township or county assessor by a taxpayer **if the assessor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process.** If appropriate, the assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer."

Page 17, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-18.5-13, AS AMENDED BY P.L.245-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) With respect to an appeal filed under section 12 of this chapter, the department may find that a civil taxing unit should receive any one (1) or more of the following types of relief:

- (1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the department the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the



following:

- (A) The first calendar year in which those costs are incurred.
 - (B) One (1) or more of the immediately succeeding four (4) calendar years.
- (2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:
- (A) the cost of personal services (including fringe benefits);
 - (B) the cost of supplies; and
 - (C) any other cost directly related to the operation of the court.
- (3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the department finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):
- STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property under IC 6-1.1-4-4 does not first become effective.
- STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:
- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular calendar year; or
 - (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the



unit under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 (repealed) or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for



the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government



tax control board finds that:

(A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4. The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred seventy-five thousand (175,000);



- (ii) a city having a population of more than sixty-five thousand (65,000) but less than seventy thousand (70,000);
 - (iii) a city having a population of more than twenty-nine thousand five hundred (29,500) but less than twenty-nine thousand six hundred (29,600);
 - (iv) a city having a population of more than thirteen thousand four hundred fifty (13,450) but less than thirteen thousand five hundred (13,500); or
 - (v) a city having a population of more than eight thousand seven hundred (8,700) but less than nine thousand (9,000);
- and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

- (A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;
- (B) that operates a county jail or juvenile detention center that is subject to an order that:
 - (i) was issued by a federal district court; and



- (ii) has not been terminated;
- (C) that operates a county jail that fails to meet:
 - (i) American Correctional Association Jail Construction Standards; and
 - (ii) Indiana jail operation standards adopted by the department of correction; or
- (D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) Permission to a city having a population of more than thirty-one thousand five hundred (31,500) but less than thirty-one thousand seven hundred twenty-five (31,725) to increase its levy



in excess of the limitations established under section 3 of this chapter if:

- (A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and
- (B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(12) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency.

(13) Permission to Jefferson County to increase its levy in excess of the limitations established under section 3 of this chapter if the department finds that the county experienced a property tax revenue shortfall that resulted from an erroneous estimate of the effect of the supplemental deduction under IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for a levy increase under this subdivision may not be denied because of the amount of cash balances in county funds. The maximum increase in the county's levy that may be approved under this subdivision is three hundred thousand dollars (\$300,000).

(14) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the department finds that the percentage growth in the civil taxing unit's assessed value for the preceding calendar year was at least two (2) times the percentage growth allowed for the civil taxing unit's tax levy under the assessed value growth quotient determined under section 2 of this chapter for the ensuing calendar year. The civil taxing unit may increase its levy by a percentage equal to the percentage growth in the civil taxing unit's assessed value for the preceding calendar year.



(b) The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for the city of Goshen for 2012 and thereafter by an amount equal to the greater of zero (0) or the result of:

(1) the city's total pension costs in 2009 for the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7); minus

(2) the sum of:

(A) the total amount of state funds received in 2009 by the city and used to pay benefits to members of the 1925 police pension fund (IC 36-8-6) or the 1937 firefighters' pension fund (IC 36-8-7); plus

(B) any previous permanent increases to the city's levy that were authorized to account for the transfer to the state of the responsibility to pay benefits to members of the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7).

(c) In calendar year 2013, the department of local government finance shall allow a township to increase its maximum permissible ad valorem property tax levy in excess of the limitations established under section 3 of this chapter, if the township:

(1) petitions the department for the levy increase on a form prescribed by the department; and

(2) submits proof of the amount borrowed in 2012 or 2013, but not both, under IC 36-6-6-14 to furnish fire protection for the township or a part of the township.

The maximum increase in a township's levy that may be allowed under this subsection is the amount borrowed by the township under IC 36-6-6-14 in the year for which proof was submitted under subdivision (2). An increase allowed under this subsection applies to property taxes first due and payable after December 31, 2013."

Page 19, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-36-12, AS AMENDED BY P.L.146-2008, SECTION 289, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) A board of county commissioners, a county assessor, or a township assessor (if any) may enter into a contract for the discovery of property that has been undervalued or omitted from assessment. The contract must prohibit payment to the contractor for discovery of undervaluation or omission with respect to a parcel or personal property return before all appeals of the assessment of the parcel or the assessment under the return have been finalized. The contract may require the contractor to:



(1) examine and verify the accuracy of a personal property ~~returns~~ **return** filed by ~~taxpayers~~ **a taxpayer** with the county assessor or a township assessor of a township in the county, **if the contractor considers the examination and verification of that personal property return to be useful to the accuracy of the assessment process;** and

(2) compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer, **if the contractor considers the comparison to be useful to the accuracy of the assessment process.**

(b) This subsection applies if funds are not appropriated for payment of services performed under a contract described in subsection (a). The county auditor may create a special nonreverting fund in which the county treasurer shall deposit the amount of taxes, including penalties and interest, that result from additional assessments on undervalued or omitted property collected from all taxing jurisdictions in the county after deducting the amount of any property tax credits that reduce the owner's property tax liability for the undervalued or omitted property. The fund remains in existence during the term of the contract. Distributions shall be made from the fund without appropriation only for the following purposes:

(1) All contract fees and other costs related to the contract.

(2) After the payments required by subdivision (1) have been made and the contract has expired, the county auditor shall distribute all money remaining in the fund to the appropriate taxing units in the county using the property tax rates of each taxing unit in effect at the time of the distribution.

(c) A board of county commissioners, a county assessor, or a township assessor may not contract for services under subsection (a) on a percentage basis."

Page 20, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 23. IC 6-3.6-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 14.5. "PSAP" means a PSAP (as defined in IC 36-8-16.7-20) that is part of the statewide 911 system (as defined in IC 36-8-16.7-22).**

SECTION 24. IC 6-3.6-3-1, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The following is the adopting body for a county:

(1) The local income tax council in a county in which the county income tax council adopted either:



(A) a county option income tax under IC 6-3.5-6 (repealed) that was in effect on January 1, 2015; or

(B) a county economic development income tax for the county under IC 6-3.5-7 (repealed) that was in effect on January 1, 2015.

(2) The county fiscal body in any other county.

(3) The county fiscal body for purposes of adopting a rate dedicated to paying for a PSAP in the county as permitted by IC 6-3.6-6-2.5.

(b) A local income tax council is established for each county. The membership of each county's local income tax council consists of the fiscal body of the county and the fiscal body of each city or town that lies either partially or entirely within that county.

SECTION 25. IC 6-3.6-6-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 2.5. (a) This section applies to a county in which the adopting body:**

(1) is the local income tax council; and

(2) did not allocate the revenue under this chapter from an expenditure rate of at least one-tenth of one percent (0.1%) to pay for a PSAP in the county for a year.

(b) A county fiscal body may adopt an ordinance to impose a tax rate for a PSAP in the county. The tax rate must be in increments of one-hundredth of one percent (0.01%) and may not exceed one-tenth of one percent (0.1%).

(c) The revenue generated by a tax rate imposed under this section must be distributed directly to the county before the remainder of the expenditure rate revenue is distributed. The revenue shall be maintained in a separate dedicated county fund and used only for paying for a PSAP in the county.

SECTION 26. IC 6-3.6-6-3, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. Revenue raised from a tax imposed under this chapter shall be treated as follows:

(1) If an ordinance described in section 2.5 of this chapter is in effect in a county, to make a distribution to the county equal to the amount of revenue generated by the rate imposed under section 2.5 of this chapter.

(+) (2) After making the distribution described in subdivision (1), if any, to make distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1. The revenue categorized from the first next



twenty-five hundredths percent (0.25%) of the rate for a former tax adopted under IC 6-3.5-1.1 shall be allocated to school corporations and civil taxing units. The amount of the allocation to a school corporation or civil taxing unit shall be determined using the allocation amounts for civil taxing units and school corporations in the determination.

~~(2)~~ **(3) After making the distributions described in subdivisions (1) and (2),** the remaining revenue shall be treated as additional revenue (referred to as "additional revenue" in this chapter). Additional revenue may not be considered by the department of local government finance in determining:

(A) any taxing unit's maximum permissible property tax levy limit under IC 6-1.1-18.5; or

(B) the approved property tax rate for any fund.

SECTION 27. IC 6-3.6-6-11, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11. (a) Except as provided in this chapter and IC 6-3.6-11, this section applies to an allocation of certified shares in all counties.

(b) Subject to this chapter, any civil taxing unit that imposes an ad valorem property tax in the county that has a tax rate in effect under this chapter is eligible for an allocation under this chapter.

(c) A school corporation is not a civil taxing unit for the purpose of receiving an allocation of certified shares under this chapter. The distributions to school corporations and civil taxing units in counties that formerly imposed a tax under IC 6-3.5-1.1 as provided in section ~~3(1)~~ **3(2)** of this chapter is not considered an allocation of certified shares. A school corporation's allocation amount for purposes of section ~~3(1)~~ **3(2)** of this chapter shall be determined under section 12 of this chapter.

(d) A county solid waste management district (as defined in IC 13-11-2-47) or a joint solid waste management district (as defined in IC 13-11-2-113) is not a civil taxing unit for the purpose of receiving an allocation of certified shares under this chapter unless a majority of the members of each of the county fiscal bodies of the counties within the district passes a resolution approving the distribution.

(e) A resolution passed by a county fiscal body under subsection (d) may:

(1) expire on a date specified in the resolution; or

(2) remain in effect until the county fiscal body revokes or rescinds the resolution.

SECTION 28. IC 6-3.6-6-12, AS ADDED BY P.L.243-2015,



SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) Except as provided in this chapter and IC 6-3.6-11, this section applies to an allocation of certified shares in all counties.

(b) The allocation amount of a civil taxing unit during a calendar year is equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the total property taxes being imposed by the civil taxing unit during the calendar year of the distribution.

STEP TWO: Determine the sum of the following:

(A) Amounts appropriated from property taxes to pay the principal of or interest on any debenture or other debt obligation issued after June 30, 2005, other than an obligation described in subsection (c).

(B) Amounts appropriated from property taxes to make payments on any lease entered into after June 30, 2005, other than a lease described in subsection (d).

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) the civil taxing unit's certified shares plus the amount distributed under section ~~3(1)~~ **3(2)** of this chapter for the previous calendar year.

The allocation amount is subject to adjustment as provided in IC 36-8-19-7.5.

(c) Except as provided in this subsection, an appropriation from property taxes to repay interest and principal of a debt obligation is not deducted from the allocation amount for a civil taxing unit if:

(1) the debt obligation was issued; and

(2) the proceeds were appropriated from property taxes;

to refund or otherwise refinance a debt obligation or a lease issued before July 1, 2005. However, an appropriation from property taxes related to a debt obligation issued after June 30, 2005, is deducted if the debt extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

(d) Except as provided in this subsection, an appropriation from



property taxes to make payments on a lease is not deducted from the allocation amount for a civil taxing unit if:

- (1) the lease was issued; and
- (2) the proceeds were appropriated from property taxes;

to refinance a debt obligation or lease issued before July 1, 2005. However, an appropriation from property taxes related to a lease entered into after June 30, 2005, is deducted if the lease extends payments on a debt or lease beyond the time in which the debt or lease would have been payable if the debt or lease had not been refinanced or increases the total amount that must be paid on a debt or lease in excess of the amount that would have been paid if the debt or lease had not been refinanced. The amount of the deduction is the annual amount for each year of the extension period or the annual amount of the increase over the amount that would have been paid.

SECTION 29. IC 6-3.6-6-20, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 20. (a) This section applies to any allocation or distribution of revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter that is made on the basis of property tax levies. If a school corporation or civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter is being allocated or distributed, that school corporation or civil taxing unit is entitled to receive a part of the revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter (as appropriate) to be distributed within the county. The fractional amount that such a school corporation or civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount of revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter to be distributed on the basis of property tax levies during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that school corporation or civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all school corporations or civil taxing units of that county for that calendar year.

(b) If for a calendar year a school corporation or civil taxing unit is allocated a part of a county's revenue under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter by subsection (a), the calculations used to determine the shares of revenue of all other school corporations and civil taxing units under section ~~3(1)~~ or 3(2) or **3(3)** of this chapter (as appropriate) shall be changed each month for that same year by reducing the amount of



revenue to be distributed by the amount of revenue under section ~~3(1)~~ ~~or 3(2)~~ **or 3(3)** of this chapter allocated under subsection (a) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

SECTION 30. IC 6-3.6-9-10, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. The budget agency shall also certify information concerning the part of the certified distribution that is attributable to each of the following:

- (1) The tax rate imposed under IC 6-3.6-5.
- (2) The tax rate imposed under IC 6-3.6-6, **separately stating the part of the distribution attributable to a tax rate imposed under IC 6-3.6-2.5.**
- (3) Each tax rate imposed under IC 6-3.6-7.

The amount certified shall be adjusted to reflect any adjustment in the certified distribution under this chapter."

Page 26, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 35. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:
 - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 - (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.
- (2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:
 - (A) the net assessed value of all the property as finally



determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 39.3 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes, taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property



that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (†) (I) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (†) (I) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
 - (A) the assessed value of the property for the assessment date



with respect to which the allocation and distribution is made;
or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected



to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are



located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.

(4) Except as provided in subsection (g), before July 1 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and



interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, and (in an electronic format) the department of local government finance. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

- (i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus
- (ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the



allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax



proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1 **that are described in subsections (i) and (k);**
- (2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and
- (3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

~~Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area.~~ The department of local government



finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) In the case of assessed value increases attributable to the application of an abatement schedule adopted under IC 6-1.1-12.1 before July 1, 2016, the assessed value increases attributable to the application of the abatement schedule may not be included in the base assessed value of an allocation area.

(j) In the case of assessed value increases attributable to the application of an abatement schedule that is adopted under IC 6-1.1-12.1:

(1) after June 30, 2016; but

(2) before the date on which the allocation area is established; the assessed value increases attributable to the application of the abatement schedule must be included in the base assessed value of the allocation area, and may not be included in the incremental assessed value of the allocation area.

(k) In the case of assessed value increases attributable to the application of an abatement schedule that is adopted under IC 6-1.1-12.1:

(1) after June 30, 2016; and

(2) on or after the date on which the allocation area is established;

assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may be included in the incremental assessed value of the allocation area, but only to the extent that the assessed value increase is a direct result of funding or expenditures from the allocation area as determined by the fiscal body of the unit that established the redevelopment commission. The assessed value increases under this section that are not allocated to the incremental assessed value of the allocation area must be included in the base assessed value of the allocation area.

(†) (l) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact



a law that:

- (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
- (B) specifically designates a particular date as the final allocation deadline.

SECTION 36. IC 36-7-15.1-26.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 26.3. (a) Notwithstanding section 26 of this chapter, the commission shall adopt a resolution establishing a new base assessed value for the economic development area known as the Marion County Airport Economic Development Area. The new base assessed value shall be used beginning with the 2017 assessment date. The new base assessed value is subject to adjustment under section 26(h) of this chapter.**

(b) The new base assessed value under subsection (a) is the base assessed value used in 2016 plus the amount, as determined by the commission, that will result in incremental assessed value that is expected to generate not more than one hundred fifty percent (150%) of the amount of allocated property tax proceeds necessary to make, when due, principal and interest payments on those bonds payable from property taxes in the area that are denominated on January 1, 2016, as series 2007 and 2007A.

(c) The commission shall also submit to the fiscal body of the county the commission's determination of the base assessed value that will be allocated to the respective taxing units as a result of the increase to the base assessed value under this section."

Page 27, between lines 7 and 8, begin a new paragraph and insert: "SECTION 38. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer notwithstanding IC 6-1.1-11 or any other law or administrative rule or provision.**

(b) This SECTION applies to an assessment date (as defined in IC 6-1.1-1-2) occurring after December 31, 2007, and before January 1, 2011.

(c) As used in this SECTION, "taxpayer" refers to an Indiana nonprofit corporation that owns a hospital and associated office buildings used for medical purposes.

(d) A taxpayer, after January 15, 2016, and before May 1, 2016, may file in any manner consistent with IC 6-1.1-36-1.5 property tax exemption applications, along with any supporting documents, claiming exemptions from real property taxes under IC 6-1.1-10-16 or IC 6-1.1-10-18.5 for any assessment date described in subsection



(b).

(e) If the real property for which an exemption application is filed under this SECTION would have qualified for an exemption under IC 6-1.1-10-16 or IC 6-1.1-10-18.5 for an assessment date described in subsection (b) if an exemption application had been timely filed:

- (1) the property tax exemption is allowed; and
- (2) the property tax exemption application filed under this SECTION is considered to have been timely filed.

(f) A taxpayer is deemed to be the owner of the real property and is entitled to the exemption from real property tax as claimed on any property tax exemption application filed under this SECTION, regardless of whether:

- (1) a property tax exemption application was previously filed for the same or similar property for the assessment date;
- (2) the county property tax assessment board of appeals has issued a final determination regarding any previously filed property tax exemption application for the assessment date;
- (3) the taxpayer or any entity affiliated with the taxpayer appealed any denial of a previously filed property tax exemption application for the assessment date; or
- (4) the records of the county in which the property subject to the property tax exemption application at any time before January 1, 2011, identified the taxpayer as the owner of the property for which a property tax exemption is claimed.

(g) The property tax exemptions claimed by a taxpayer under this SECTION are considered approved without further action being required by the county assessor or the county property tax assessment board of appeals for the county in which the property subject to the property tax exemption application is located. This exemption approval is final and may not be appealed by the county assessor, the county property tax assessment board of appeals, or any member of the county property tax assessment board of appeals.

(h) A taxpayer who files a property tax exemption application under this SECTION is not entitled to a refund of real property tax paid with respect to the property for which a property tax exemption is approved under this SECTION.

(i) The auditor of the county in which a property subject to any property tax exemption application that is allowed under this SECTION is located shall remove all penalties assigned to the property as of January 1, 2016. The penalties shall be removed



regardless of when they accrued and whether they relate to an assessment date identified in subsection (b) or a different assessment date.

(j) This SECTION expires January 1, 2018."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 308 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 9, Nays 3.

