

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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1499

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AN ACT to amend the Indiana Code concerning taxation.

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

SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.174-2022, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) for assessment dates before January 1, 2020, the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars (\$25,000);

(3) for assessment dates after December 31, 2019:

(A) the individual had, in the case of an individual who filed

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a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars (\$30,000), **and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;**

(B) the individual had, in the case of an individual who filed a joint income tax return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars (\$40,000), **and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;** or

(C) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of the individual and all other individuals with whom:

- (i) the individual shares ownership; or
- (ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common did not exceed forty thousand dollars (\$40,000), **and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;**

for the calendar year preceding by two (2) years the calendar year in which the property taxes are first due and payable;

(4) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(5) for assessment dates:



- (A) before January 1, 2020, the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home; or
- (B) after December 31, 2019, the individual and any individuals covered by subdivision (3)(C) reside on the real property, mobile home, or manufactured home;
- (6) except as provided in subsection (i), the assessed value of the real property, mobile home, or manufactured home does not exceed two hundred forty thousand dollars (\$240,000).
- (7) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 37, (for assessment dates after February 28, 2008) 37.5, and 38 of this chapter; and
- (8) the person:
  - (A) owns the real property, mobile home, or manufactured home; or
  - (B) is buying the real property, mobile home, or manufactured home under contract;
 on the date the statement required by section 10.1 of this chapter is filed.

**For purposes of applying the annual cost of living increases described in subdivision (3)(A) through (3)(C), the annual percentage increase is applied to the adjusted amount of income from the immediately preceding year.**

- (b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:
  - (1) one-half (1/2) of the assessed value of the real property; or
  - (2) fourteen thousand dollars (\$14,000).
- (c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:
  - (1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or
  - (2) fourteen thousand dollars (\$14,000).
- (d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.
- (e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:



- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(8).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B) or (a)(3)(C), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

(i) For purposes of determining the assessed value of the real property, mobile home, or manufactured home under subsection (a)(6) for an individual who has received a deduction under this section in a previous year, increases in assessed value that occur after the later of:

(1) December 31, 2019; or

(2) the first year that the individual has received the deduction; are not considered unless the increase in assessed value is attributable to substantial renovation or new improvements. Where there is an increase in assessed value for purposes of the deduction under this section, the assessor shall provide a report to the county auditor describing the substantial renovation or new improvements, if any, that were made to the property prior to the increase in assessed value.

SECTION 2. IC 6-1.1-12-37.5, AS ADDED BY P.L.146-2008, SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.5. (a) A person who is entitled to a standard deduction from the assessed value of property



under section 37 of this chapter is also entitled to receive a supplemental deduction from the assessed value of the homestead to which the standard deduction applies after the application of the standard deduction but before the application of any other deduction, exemption, or credit for which the person is eligible.

(b) The amount of the deduction under this section is equal to the sum of the following:

**(1) For property taxes first due and payable:**

**(A) before January 1, 2024, thirty-five percent (35%);**

**(B) in 2024, forty percent (40%);**

**(C) in 2025, thirty-seven and five-tenths percent (37.5%);**

**and**

**(D) after December 31, 2025, thirty-five percent (35%);**

of the assessed value determined under subsection (a) that is not more than six hundred thousand dollars (\$600,000).

**(2) For property taxes first due and payable:**

**(A) before January 1, 2024, twenty-five percent (25%);**

**(B) in 2024, thirty percent (30%);**

**(C) in 2025, twenty-seven and five-tenths percent (27.5%);**

**and**

**(D) after December 31, 2025, twenty-five percent (25%);**

of the assessed value determined under subsection (a) that is more than six hundred thousand dollars (\$600,000).

(c) The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(d) The deduction granted under this section shall not be considered in applying section 40.5 of this chapter to the deductions applicable to property. Section 40.5 of this chapter does not apply to the deduction granted under this section.

SECTION 3. IC 6-1.1-15-1.2, AS AMENDED BY P.L.121-2019, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1.2. (a) A county or township official who receives a written notice under section 1.1 of this chapter shall schedule, at a time during business hours that is convenient to the taxpayer, a preliminary informal meeting with the taxpayer in order to resolve the appeal. If the taxpayer raises a claim regarding a matter that is in the discretion of the county auditor, the informal meeting must include the county auditor. At the preliminary informal meeting, in order to facilitate understanding and the resolution of disputed issues, a county or township official, the county auditor, if the matter is in the discretion of the county auditor, and the taxpayer shall exchange the information that each party is relying on at the time of the preliminary



informal meeting to support the party's respective position on each disputed issue concerning the assessment or deduction. If additional information is obtained by the county or township official, the county auditor, or the taxpayer after the preliminary informal meeting and before the hearing held by the county board, the party obtaining the information shall provide the information to the other party. If the county or township official, the county auditor, or the taxpayer obtains additional information and provides the information to the other party for the first time at the hearing held by the county board, the county board, unless waived by the receiving party, shall continue the hearing until a future hearing date of the county board so that the receiving party has an opportunity to review all the information that the offering party is relying on to support the offering party's positions on the disputed issues concerning the assessment or deduction.

(b) The official shall report on a form prescribed by the department of local government finance the results of the informal meeting. If the taxpayer and the official agree on the resolution of all issues in the appeal, the report shall state the agreed resolution of the matter and be signed by the official and the taxpayer. If an informal meeting is not held, or the informal meeting is unsuccessful, the official shall report those facts on the form. The official shall forward the report on the informal meeting to the county board.

(c) If the county board receives a report on the informal meeting indicating an agreed resolution of the matter, the county board shall vote to accept or deny the agreed resolution. If the county board accepts the agreed resolution, the county board shall issue a notification of final assessment determination adopting the agreed resolution and vacating the hearing if scheduled.

(d) The county board, upon receipt of a written notice under section 1.1 of this chapter, shall hold a hearing on the appeal not later than one hundred eighty (180) days after the filing date of the written notice. The county board shall, by mail, give at least thirty (30) days notice of the date, time, and place fixed for the hearing to the taxpayer, the county or township official with whom the taxpayer filed the written notice, and the county auditor. If the county board has notice that the taxpayer is represented by a third person, any hearing notice shall be mailed to the representative.

(e) If good cause is shown, the county board shall grant a request for continuance filed in writing at least ten (10) days before the hearing, and reschedule the hearing under subsection (d).

(f) A taxpayer may withdraw an appeal by filing a written request at least ten (10) days before the hearing. The county board shall issue



a notification of final assessment determination indicating the withdrawal and no change in the assessment. A withdrawal waives a taxpayer's right to appeal to the Indiana board.

(g) The county board shall determine an appeal without a hearing if requested by the taxpayer in writing at least twenty (20) days before the hearing.

(h) If a taxpayer appeals the assessment of tangible property under section 1.1 of this chapter, the taxpayer is not required to have an appraisal of the property in order to initiate the appeal or prosecute the appeal. **If the taxpayer presents an appraisal to the county board that:**

- (1) is prepared by a certified appraiser in compliance with the Uniform Standards of Professional Appraisal Practice to determine the market value in use;**
- (2) is addressed to the property owner or the assessor's office;**
- (3) is commissioned for the purpose of the assessment appeal;**
- and**
- (4) has an effective date that is the same date as the date of the assessment that is the subject of the appeal;**

**the value of the property contained in the appraisal is presumed to be correct. If the county board disagrees with the taxpayer's appraisal, the county board may seek review of the appraisal by a third party independent certified appraiser or obtain an independent appraisal report conducted by a certified appraiser in compliance with the Uniform Standards of Professional Appraisal Practice. If the county board's appraisal differs from the taxpayer's appraisal, the county board shall weigh the evidence and determine the true tax value of the property based on the totality of the probative evidence before the county board. The county board's determination of the property's true tax value may be higher or lower than the assessment but may not be lower than the lowest appraisal presented to or obtained by the county board, or higher than the highest appraisal presented to or obtained by the county board. After the assignment of value, the parties shall retain their rights to appeal the assessment or assessments to the Indiana board, which must hear the appeal de novo.**

(i) At a hearing under subsection (d), the taxpayer shall have the opportunity to present testimony and evidence regarding the matters on appeal. If the matters on appeal are in the discretion of the county auditor, the county auditor or the county auditor's representative shall attend the hearing. A county or township official, or the county auditor or the county auditor's representative, shall have an opportunity to



present testimony and evidence regarding the matters on appeal. The county board may adjourn and continue the hearing to a later date in order to make a physical inspection or consider the evidence presented.

(j) The county board shall determine the assessment by motion and majority vote. A county board may, based on the evidence before it, increase an assessment. The county board shall issue a written decision. Written notice of the decision shall be given to the township official, county official, county auditor, and the taxpayer.

(k) If more than one hundred eighty (180) days have passed since the date the notice of appeal was filed, and the county board has not issued a determination, a taxpayer may initiate any appeal with the Indiana board of tax review under section 3 of this chapter.

(l) The county assessor may assess a penalty of fifty dollars (\$50) against the taxpayer if the taxpayer or representative fails to appear at a hearing under subsection (d) and, under subsection (e), the taxpayer's request for continuance is denied, or the taxpayer's request for continuance, request for the board to take action without a hearing, or withdrawal is not timely filed. A taxpayer may appeal the assessment of the penalty to the Indiana board or directly to the tax court. The penalty may not be added as an amount owed on the property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

SECTION 4. IC 6-1.1-17-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.1. (a) This section:**

**(1) applies only to an operating referendum tax levy under IC 20-46-1 approved by the voters before January 1, 2023, that is imposed by a school corporation for taxes first due and payable in 2024;**

**(2) does not apply to an operating referendum tax levy under IC 20-46-1 approved by the voters after December 31, 2022, and before January 1, 2024, that is imposed by a school corporation for taxes first due and payable in 2024; and**

**(3) does not apply to any other tax year.**

**(b) Notwithstanding any increase in the assessed value of property from the previous assessment date, the total amount of operating referendum tax that may be levied by a school corporation may not exceed the lesser of:**

**(1) the maximum operating referendum tax that could be levied by the school corporation for taxes first due and payable in 2023 multiplied by one and three-hundredths (1.03); or**

**(2) the maximum operating referendum tax that could**





**otherwise be levied by the school corporation for taxes first due and payable in 2024.**

**The tax rate for an operating referendum tax levy shall be decreased, if necessary, to comply with this limitation.**

**(c) This section expires July 1, 2025.**

SECTION 5. IC 6-1.1-18.5-2, AS AMENDED BY P.L.159-2020, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) Except as provided in ~~subsection (e)~~ **subsections (c) and (e)**, for purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the maximum levy growth quotient determined in the last STEP of the following STEPS:

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

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

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

STEP FOUR: Determine the lesser of the following:

- (A) The STEP THREE quotient.
- (B) One and six-hundredths (1.06).

(c) **Except as provided in subsection (f)**, a school corporation shall use for its operations fund maximum levy calculation under IC 20-46-8-1 the maximum levy growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine for each school corporation, the average annual growth in net assessed value using the three (3) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year.

STEP TWO: Determine the greater of:

- (A) zero (0); or
- (B) the STEP ONE amount minus the sum of:



- (i) the maximum levy growth quotient determined under subsection (b) minus one (1); plus
- (ii) two-hundredths (0.02).

STEP THREE: Determine the lesser of:

- (A) the STEP TWO amount; or
- (B) four-hundredths (0.04).

STEP FOUR: Determine the sum of:

- (A) the STEP THREE amount; plus
- (B) the maximum levy growth quotient determined under subsection (b).

STEP FIVE: Determine the greater of:

- (A) the STEP FOUR amount; or
- (B) the maximum levy growth quotient determined under subsection (b).

(d) The budget agency shall provide the maximum levy growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year.

**(e) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a civil taxing unit's maximum permissible ad valorem property tax levy in calendar years 2024 and 2025. For purposes of determining the maximum levy growth quotient in calendar years 2024 and 2025, instead of the result determined in the last STEP in subsection (b), the maximum levy growth quotient is determined in the last STEP of the following STEPS:**

**STEP ONE: Determine the result of STEP FOUR of subsection (b), calculated as if this subsection was not in effect.**

**STEP TWO: Subtract one (1) from the STEP ONE result.**

**STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).**

**STEP FOUR: Add one (1) to the STEP THREE result.**

**STEP FIVE: Determine the lesser of:**

- (A) the STEP FOUR result; or
- (B) one and four-hundredths (1.04).

**(f) This subsection applies only for purposes of determining the maximum levy growth quotient to be used in determining a school corporation's operations fund maximum levy in calendar years 2024 and 2025. For purposes of determining the maximum levy growth quotient in calendar years 2024 and 2025, instead of the result determined in the last STEP in subsection (c), the maximum**



levy growth quotient is determined in the last STEP of the following STEPS:

**STEP ONE: Determine the result of STEP FIVE of subsection (c), calculated as if this subsection was not in effect.**

**STEP TWO: Subtract one (1) from the STEP ONE result.**

**STEP THREE: Multiply the STEP TWO result by eight-tenths (0.8).**

**STEP FOUR: Add one (1) to the STEP THREE result.**

**STEP FIVE: Determine the lesser of:**

**(A) the STEP FOUR result; or**

**(B) one and four-hundredths (1.04).**

SECTION 6. IC 6-1.1-20-1.1, AS AMENDED BY P.L.32-2021, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1.1. **(a)** As used in this chapter, "controlled project" means any project financed by bonds or a lease, except for the following:

(1) A project for which the political subdivision reasonably expects to pay:

(A) debt service; or

(B) lease rentals;

from funds other than property taxes that are exempt from the levy limitations of IC 6-1.1-18.5 or (before January 1, 2009) IC 20-45-3. A project is not a controlled project even though the political subdivision has pledged to levy property taxes to pay the debt service or lease rentals if those other funds are insufficient.

(2) **Subject to subsection (b)**, a project that will not cost the political subdivision more than the lesser of the following:

(A) An amount equal to the following:

(i) In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, two million dollars (\$2,000,000).

(ii) In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, five million dollars (\$5,000,000).

(iii) In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under



IC 6-1.1-18.5-2 for the year multiplied by the amount determined under this clause for the preceding calendar year.

The department of local government finance shall publish the threshold determined under item (iii) in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(B) An amount equal to the following:

(i) One percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000).

(ii) One million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(3) A project that is being refinanced for the purpose of providing gross or net present value savings to taxpayers.

(4) A project for which bonds were issued or leases were entered into before January 1, 1996, or where the state board of tax commissioners has approved the issuance of bonds or the execution of leases before January 1, 1996.

(5) A project that:

(A) is required by a court order holding that a federal law mandates the project; **or**

**(B) is in response to a court order holding that:**

**(i) a federal law has been violated; and**

**(ii) the project is to address the deficiency or violation.**

(6) A project that is in response to:

(A) a natural disaster;

(B) an accident; or

(C) an emergency;

in the political subdivision that makes a building or facility unavailable for its intended use.

(7) A project that was not a controlled project under this section as in effect on June 30, 2008, and for which:

(A) the bonds or lease for the project were issued or entered into before July 1, 2008; or

(B) the issuance of the bonds or the execution of the lease for the project was approved by the department of local government finance before July 1, 2008.



(8) A project of the Little Calumet River basin development commission for which bonds are payable from special assessments collected under IC 14-13-2-18.6.

(9) A project for engineering, land and right-of-way acquisition, construction, resurfacing, maintenance, restoration, and rehabilitation exclusively for or of:

(A) local road and street systems, including bridges that are designated as being in a local road and street system;

(B) arterial road and street systems, including bridges that are designated as being in an arterial road and street system; or

(C) any combination of local and arterial road and street systems, including designated bridges.

**(b) This subsection does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023. If:**

**(1) a political subdivision's total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value; and**

**(2) subsection (a)(1) and subsection (a)(3) through (a)(9) are not applicable;**

**the term includes any project to be financed by bonds or a lease, including a project that does not otherwise meet the threshold amount provided in subsection (a)(2). This subsection expires December 31, 2024.**

SECTION 7. IC 6-1.1-20-3.1, AS AMENDED BY P.L.159-2020, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.1. (a) Subject to section 3.5(a)(1)(C) of this chapter, this section applies only to the following:

(1) A controlled project (as defined in section 1.1 of this chapter as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, high school building, or other school building for academic instruction that:

(A) is a controlled project;

(B) will be used for any combination of kindergarten through grade 12; and

(C) will not cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or



enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).

(3) Any other controlled project that:

(A) is not a controlled project described in subdivision (1) or (2); and

(B) will not cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the



project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

**(4) This subdivision does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023. Any other controlled project if both of the following apply:**

**(A) The political subdivision's total debt service tax rate is more than forty cents (\$0.40) per one hundred dollars (\$100) of assessed value, but less than eighty cents (\$0.80) per one hundred dollars (\$100) of assessed value.**

**(B) The controlled project is not otherwise described in section 3.5(a)(1) of this chapter.**

**This subdivision expires December 31, 2024.**

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers



to the officers, before January 1 of that year, an annual written request for such notices of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on a preliminary determination before adoption of the resolution or ordinance. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(H).

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of property within the





political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

- (i) a new school facility; or
- (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 (repealed) before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The following information:

- (i) The political subdivision's current debt service levy and rate.
- (ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
- (iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(I) The information specified in subdivision (1)(A) through (1)(B).

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

- (A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
- (B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by



the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of property or registered voters;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are



registered voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office shall, not more than fifteen (15) business days after receiving a petition, forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property, or a combination of those types of property within the



subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided



a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.2 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision shall fulfill the requirements of this section and section 3.2 of this chapter, if applicable, regardless of the cost of the project in dispute. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.2 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

SECTION 8. IC 6-1.1-20-3.5, AS AMENDED BY P.L.136-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, high school building, or other school building for academic instruction that will be used for any combination of kindergarten through grade 12 and will cost more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is ten million dollars (\$10,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the



maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one billion dollars (\$1,000,000,000), or ten million dollars (\$10,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one billion dollars (\$1,000,000,000).

(B) Any other controlled project that is not a controlled project described in clause (A) and will cost the political subdivision more than the lesser of the following:

(i) The threshold amount determined under this item. In the case of an ordinance or resolution adopted before January 1, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is twelve million dollars (\$12,000,000). In the case of an ordinance or resolution adopted after December 31, 2017, and before January 1, 2019, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is fifteen million dollars (\$15,000,000). In the case of an ordinance or resolution adopted in a calendar year after December 31, 2018, making a preliminary determination to issue bonds or enter into a lease for the project, the threshold amount is an amount (as determined by the department of local government finance) equal to the result of the maximum levy growth quotient determined under IC 6-1.1-18.5-2 for the year multiplied by the threshold amount determined under this item for the preceding calendar year. In the case of a threshold amount determined under this item that applies for a calendar year after December 31, 2018, the department of local government finance shall publish the threshold in the



Indiana Register under IC 4-22-7-7 not more than sixty (60) days after the date the budget agency releases the maximum levy growth quotient for the ensuing year under IC 6-1.1-18.5-2.

(ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that total gross assessed value is more than one hundred million dollars (\$100,000,000), or one million dollars (\$1,000,000), if the total gross assessed value of property within the political subdivision on the last assessment date is not more than one hundred million dollars (\$100,000,000).

(C) Any other controlled project for which a political subdivision adopts an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for the project, if the sum of:

(i) the cost of that controlled project; plus

(ii) the costs of all other controlled projects for which the political subdivision has previously adopted within the preceding three hundred sixty-five (365) days an ordinance or resolution making a preliminary determination to issue bonds or enter into a lease for those other controlled projects;

exceeds twenty-five million dollars (\$25,000,000).

**(D) This clause does not apply to a project for which a public hearing to issue bonds or enter into a lease has been conducted under IC 20-26-7-37 before July 1, 2023. Except as provided in section 4.5 of this chapter, any other controlled project if the political subdivision's total debt service tax rate is at least eighty cents (\$0.80) per one hundred dollars (\$100) of assessed value. This clause expires December 31, 2024.**

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) Subject to subsection (d), a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers



to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct at least two (2) public hearings on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must at each of the public hearings on the preliminary determination allow the public to testify regarding the preliminary determination and must make the following information available to the public at each of the public hearings on the preliminary determination, in addition to any other information required by law:

- (A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.
  - (B) The result of:
    - (i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by
    - (ii) the net assessed value of taxable property within the political subdivision.
  - (C) The information specified in subdivision (3)(A) through (3)(G).
- (2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:
- (A) publication in accordance with IC 5-3-1; and
  - (B) first class mail to the circuit court clerk and to the organizations described in subdivision (1).
- (3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:
- (A) The maximum term of the bonds or lease.
  - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
  - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
  - (D) The purpose of the bonds or lease.
  - (E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.





(F) With respect to bonds issued or a lease entered into to open:

- (i) a new school facility; or
- (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The following information:

- (i) The political subdivision's current debt service levy and rate.
- (ii) The estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
- (iii) The estimated amount of the political subdivision's debt service levy and rate that will result during the following ten (10) years if the political subdivision issues the bonds or enters into the lease, after also considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period.

(H) The information specified in subdivision (1)(A) through (1)(B).

**(4) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

- (A) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
- (B) five percent (5%) of the registered voters residing within the political subdivision.

**(5) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of property within the political subdivision or a registered voter residing



within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of property or registered voters;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and
- (D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of property or registered voters and may be allowed to pick up additional copies to distribute to other owners of property or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as an owner of property must indicate the address of the property owned by the person in the political subdivision.

**(6) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

**(7) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

**(8) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least five hundred twenty-five (525) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered



voters. If the county voter registration office does not determine that at least five hundred twenty-five (525) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of property in the political subdivision; and

(B) whether a person who signed the petition as an owner of property within the political subdivision does in fact own property within the political subdivision.

**(9) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** The county voter registration office, not more than ten (10) business days after determining that at least five hundred twenty-five (525) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8), as applicable, shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property, mobile home assessed as personal property, or manufactured home assessed as personal property or a combination of those types of property within the political



subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

**(10) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

**(11) This subdivision does not apply to a controlled project described in subsection (a)(1)(D) (before its expiration).** If a sufficient petition requesting the local public question process is not filed by owners of property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter.

(d) In addition to the procedures in subsection (b), if any capital improvement components addressed in the most recent:

(1) threat assessment of the buildings within the school corporation; or

(2) school safety plan (as described in IC 20-26-18.2-2(b));



concerning a particular school have not been completed or require additional funding to be completed, before the school corporation may impose property taxes to pay debt service on bonds or lease rentals for a lease for a controlled project, and in addition to any other components of the controlled project, the controlled project must include any capital improvements necessary to complete those components described in subdivisions (1) and (2) that have not been completed or that require additional funding to be completed.

(e) In addition to the other procedures in this section, an ordinance or resolution making a preliminary determination to issue bonds or enter into leases that is considered for adoption must include a statement of:

- (1) the maximum annual debt service for the controlled project for each year in which the debt service will be paid; and
- (2) the schedule of the estimated annual tax levy and rate over a ten (10) year period;

factoring in changes that will occur to the debt service levy and tax rate during the period on account of any outstanding bonds or lease obligations that will mature or terminate during the period.

SECTION 9. IC 6-1.1-20-3.6, AS AMENDED BY P.L.174-2022, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8 of this chapter, this section applies only to a controlled project described in section 3.5(a) of this chapter.

**(b) In the case of a controlled project:**

- (1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this chapter**, if a sufficient petition requesting the application of the local public question process has been filed as set forth in section 3.5 of this chapter; **or**
- (2) described in section 3.5(a)(1)(D) of this chapter (before its expiration);**

a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) Except as provided in subsection (k), the following question shall be submitted to the eligible voters at the election conducted under this section:

"Shall \_\_\_\_\_ (insert the name of the political subdivision) increase property taxes paid to the \_\_\_\_\_ (insert the type of taxing unit) by homeowners and businesses? If this public



question is approved by the voters, the average property tax paid to the \_\_\_\_\_ (insert the type of taxing unit) per year on a residence would increase by \_\_\_\_\_% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision as determined under subsection (n)) and the average property tax paid to the \_\_\_\_\_ (insert the type of taxing unit) per year on a business property would increase by \_\_\_\_\_% (insert the estimated average percentage of property tax increase paid to the political subdivision on a business property within the political subdivision as determined under subsection (o)). The political subdivision may issue bonds or enter into a lease to \_\_\_\_\_ (insert a brief description of the controlled project), which is estimated to cost \_\_\_\_\_ (insert the total cost of the project) over \_\_\_\_\_ (insert number of years to bond maturity or termination of lease) years. The most recent property tax referendum within the boundaries of the political subdivision for which this public question is being considered was proposed by \_\_\_\_\_ (insert name of political subdivision) in \_\_\_\_\_ (insert year of most recent property tax referendum) and \_\_\_\_\_ (insert whether the measure passed or failed).".

The public question must appear on the ballot in the form approved by the county election board. If the political subdivision proposing to issue bonds or enter into a lease is located in more than one (1) county, the county election board of each county shall jointly approve the form of the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the language certified to the county election board by the county auditor. If the county election board approves the language of a public question under this subsection, the county election board shall submit the language and the certification of the county auditor described in subsection (p) to the department of local government finance for review.

(d) The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. The department of local government finance shall post the estimated average percentage of property tax increases to be paid to a political subdivision on a residence and business property that are certified by the county auditor under subsection (p) on the department's Internet web site. The department of local government finance may



either approve the ballot language as submitted or recommend that the ballot language be modified as necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall certify its approval or recommendations to the county auditor and the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified by the county auditor under subsection (e) unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

(e) The county auditor shall certify the finally approved public question under IC 3-10-9-3 to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon:

- (1) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or
- (2) August 1 if the public question is to be placed on the general or municipal election ballot.

Subject to the certification requirements and deadlines under this subsection and except as provided in subsection (j), the public question shall be placed on the ballot at the next primary election, general election or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon seventy-four (74) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). The fiscal body of the political subdivision that requests the special election shall pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of



a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.

(f) The circuit court clerk shall certify the results of the public question to the following:

- (1) The county auditor of each county in which the political subdivision is located.
- (2) The department of local government finance.

(g) Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the eligible voters voting on the public question vote in favor of the public question.

(h) If a majority of the eligible voters voting on the public question vote in opposition to the public question, both of the following apply:

- (1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.
- (2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than:

- (A) except as provided in clause (B), seven hundred (700) days after the date of the public question; or
- (B) three hundred fifty (350) days after the date of the election, if a petition that meets the requirements of subsection (m) is submitted to the county auditor.

(i) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

(j) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project into two (2) or more capital projects in order to avoid the requirements of this section and section 3.5 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision under section 3.5 of this chapter or a determination under section 5 of this chapter to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty





(30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision may appeal the determination of the department of local government finance to the Indiana board of tax review. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.5 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

(k) This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than sixty-three (63) days before the election at which the public question would be on the ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially



similar controlled project may not be submitted to the voters earlier than three hundred fifty (350) days after the date the resolution withdrawing the public question is adopted.

(l) If a public question regarding a controlled project is placed on the ballot to be voted on at an election under this section, the political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's Internet web site:

- (1) The cost per square foot of any buildings being constructed as part of the controlled project.
- (2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.
- (3) The maximum term of the bonds or lease.
- (4) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (6) The purpose of the bonds or lease.
- (7) In the case of a controlled project proposed by a school corporation:
  - (A) the current and proposed square footage of school building space per student;
  - (B) enrollment patterns within the school corporation; and
  - (C) the age and condition of the current school facilities.

(m) If a majority of the eligible voters voting on the public question vote in opposition to the public question, a petition may be submitted to the county auditor to request that the limit under subsection (h)(2)(B) apply to the holding of a subsequent public question by the political subdivision. If such a petition is submitted to the county auditor and is signed by the lesser of:

- (1) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
- (2) five percent (5%) of the registered voters residing within the political subdivision;

the limit under subsection (h)(2)(B) applies to the holding of a second public question by the political subdivision and the limit under subsection (h)(2)(A) does not apply to the holding of a second public question by the political subdivision.

(n) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease



for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of a homestead located within the political subdivision.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the political subdivision, subtract:

(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and

(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the political subdivision:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the political subdivision's part of the result determined in STEP FIVE.

STEP SEVEN: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP EIGHT: Multiply the result of STEP SEVEN by the result of STEP THREE.

STEP NINE: Divide the result of STEP EIGHT by the result of STEP SIX, expressed as a percentage.

(o) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a business property to be paid



to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of business property located within the political subdivision.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the political subdivision:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the political subdivision's part of the result determined in STEP FOUR.

STEP SIX: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Multiply the result of STEP TWO by the result of STEP SIX.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP FIVE, expressed as a percentage.

(p) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision determined under subsection (n), and the estimated average percentage of property tax increase on a business property to be paid to the political subdivision determined under subsection (o), in a manner prescribed by the department of local government finance, and provide the certification to the political subdivision that proposes to impose property taxes. The political subdivision shall provide the certification to the county election board and include the estimated average percentages in the language of the public question at the time the language of the public question is submitted to the county election board for approval as described in subsection (c).

SECTION 10. IC 6-1.1-20-3.7, AS ADDED BY P.L.182-2009(ss), SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3.7. (a) This section applies to the



following:

- (1) The issuance of bonds or the entering into a lease for a controlled project:
    - (A) to which section 3.5 of this chapter applies; and
    - (B) for which a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter within the time required under section 3.5(b)(7) of this chapter.
  - (2) The issuance of bonds or the entering into a lease for a capital project:
    - (A) that is not a controlled project to which section 3.5 of this chapter applies; and
    - (B) that would, but for the application of section ~~1.1(6)~~ **1.1(a)(6)** of this chapter to the project, be a controlled project to which section 3.5 of this chapter applies.
- (b) If the proper officers of a political subdivision make a preliminary determination to issue bonds described in subsection (a) or enter into a lease described in subsection (a), the fiscal body of the political subdivision may adopt a resolution specifying that the local public question process specified in section 3.6 of this chapter applies to the issuance of the bonds or the entering into the lease, notwithstanding that:
- (1) a sufficient petition requesting the application of the local public question process under section 3.6 of this chapter has not been filed as set forth in section 3.5 of this chapter (in the case of bonds or a lease described in subsection (a)(1)); or
  - (2) because of the application of section ~~1.1(6)~~ **1.1(a)(6)** of this chapter, the bonds or lease is not considered to be issued or entered into for a controlled project (in the case of bonds or a lease described in subsection (a)(2)).
- (c) The following apply to the adoption of a resolution by the fiscal body of a political subdivision under subsection (b):
- (1) In the case of bonds or a lease described in subsection (a)(1) and for which no petition requesting the application of the local public question process under section 3.6 of this chapter has been filed within the time required under section 3.5(b)(7) of this chapter, the fiscal body must adopt the resolution not more than sixty (60) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.
  - (2) In the case of bonds or a lease described in subsection (a)(1) for which a petition requesting the application of the local public



question process under section 3.6 of this chapter:

(A) has been filed under section 3.5 of this chapter; and

(B) is determined to have an insufficient number of signatures to require application of the local public question process under section 3.6 of this chapter;

the fiscal body must adopt the resolution not more than thirty (30) days after the county voter registration office makes the final determination under section 3.5 of this chapter that a sufficient number of persons have not signed the petition.

(3) In the case of bonds or a lease described in subsection (a)(2), the fiscal body must adopt the resolution not more than thirty (30) days after publication of the notice of the preliminary determination to issue the bonds or enter into the lease.

(4) The fiscal body shall certify the resolution to the county election board of each county in which the political subdivision is located, and the county election board shall place the public question on the ballot as provided in section 3.6 of this chapter.

(d) Except to the extent it is inconsistent with this section, section 3.6 of this chapter applies to a local public question placed on the ballot under this section.

SECTION 11. IC 6-1.1-20-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 4.5. (a) As used in this section, "maintenance emergency" refers to a response to a condition that is not otherwise subject to the application of section 1.1(a)(6) of this chapter and includes:**

**(1) repair of a boiler or chiller system;**

**(2) roof repair;**

**(3) storm damage repair; or**

**(4) any other repair that the department determines is a maintenance emergency for which waiver of the application of section 3.5(a)(1)(D) of this chapter (before its expiration) is warranted.**

**(b) A political subdivision may submit a request to the department to waive the application of section 3.5(a)(1)(D) of this chapter (before its expiration), if the proposed controlled project of the political subdivision is to address a maintenance emergency with respect to a building owned or leased by the political subdivision.**

**(c) The department shall require the political subdivision to submit any information that the department considers necessary to determine whether the condition that the political subdivision**



contends is a maintenance emergency.

(d) The department shall review a request and issue a determination not later than forty-five (45) days after the department receives a request under this section determining whether the condition that the political subdivision contends is a maintenance emergency is sufficient to waive the application of section 3.5(a)(1)(D) of this chapter (before its expiration). If the department determines that the condition is a maintenance emergency then section 3.5(a)(1)(D) of this chapter (before its expiration) is waived and does not apply to the proposed controlled project.

(e) A waiver of the application of section 3.5(a)(1)(D) of this chapter (before its expiration) in accordance with this section may not be construed as a waiver of any other requirement of this chapter with respect to the proposed controlled project.

(f) This section expires December 31, 2024.

SECTION 12. IC 6-1.1-20.6-8.5, AS AMENDED BY P.L.174-2022, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 8.5. (a) This section applies to an individual who:

- (1) qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year (or was married at the time of death to a deceased spouse who qualified for a standard deduction granted under IC 6-1.1-12-37 for the individual's homestead property in the immediately preceding calendar year);
- (2) qualifies for a standard deduction granted under IC 6-1.1-12-37 for the same homestead property in the current calendar year;
- (3) is or will be at least sixty-five (65) years of age on or before December 31 of the calendar year immediately preceding the current calendar year; and
- (4) had:
  - (A) in the case of an individual who filed a single return, adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding thirty thousand dollars (\$30,000), **and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;** or
  - (B) in the case of an individual who filed a joint income tax



return with the individual's spouse, combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) not exceeding forty thousand dollars (\$40,000), **and beginning for the January 1, 2023, assessment date, and each assessment date thereafter, adjusted annually by an amount equal to the percentage cost of living increase applied for Social Security benefits for the immediately preceding calendar year;**

for the calendar year preceding by two (2) years the calendar year in which property taxes are first due and payable.

**For purposes of applying the annual cost of living increases described in subdivision (4)(A) and (4)(B), the annual percentage increase is applied to the adjusted amount of income from the immediately preceding year.**

(b) Except as provided in subsection (g), this section does not apply if:

(1) for an individual who received a credit under this section before January 1, 2020, the gross assessed value of the homestead on the assessment date for which property taxes are imposed is at least two hundred thousand dollars (\$200,000); **or**

(2) for an individual who initially applies for a credit under this section after December 31, 2019, **and before January 1, 2023**, the assessed value of the individual's Indiana real property is at least two hundred thousand dollars (\$200,000); **or**

**(3) for an individual who initially applies for a credit under this section after December 31, 2022, the assessed value of the individual's Indiana real property is at least two hundred forty thousand dollars (\$240,000).**

(c) An individual is entitled to an additional credit under this section for property taxes first due and payable for a calendar year on a homestead if:

(1) the individual and the homestead qualify for the credit under subsection (a) for the calendar year;

(2) the homestead is not disqualified for the credit under subsection (b) for the calendar year; and

(3) the filing requirements under subsection (e) are met.

(d) The amount of the credit is equal to the greater of zero (0) or the result of:

(1) the property tax liability first due and payable on the homestead property for the calendar year; minus

(2) the result of:

(A) the property tax liability first due and payable on the





qualified homestead property for the immediately preceding year after the application of the credit granted under this section for that year; multiplied by  
 (B) one and two hundredths (1.02).

However, property tax liability imposed on any improvements to or expansion of the homestead property after the assessment date for which property tax liability described in subdivision (2) was imposed shall not be considered in determining the credit granted under this section in the current calendar year.

(e) Applications for a credit under this section shall be filed in the manner provided for an application for a deduction under IC 6-1.1-12-9. However, an individual who remains eligible for the credit in the following year is not required to file a statement to apply for the credit in the following year. An individual who receives a credit under this section in a particular year and who becomes ineligible for the credit in the following year shall notify the auditor of the county in which the homestead is located of the individual's ineligibility not later than sixty (60) days after the individual becomes ineligible.

(f) The auditor of each county shall, in a particular year, apply a credit provided under this section to each individual who received the credit in the preceding year unless the auditor determines that the individual is no longer eligible for the credit.

(g) For purposes of determining the:

(1) assessed value of the homestead on the assessment date for which property taxes are imposed under subsection (b)(1); ~~or~~

(2) assessed value of the individual's Indiana real property under subsection (b)(2); ~~or~~

**(3) assessed value of the individual's Indiana real property under subsection (b)(3);**

for an individual who has received a credit under this section in a previous year, increases in assessed value that occur after the later of December 31, 2019, or the first year that the individual has received the credit are not considered unless the increase in assessed value is attributable to substantial renovation or new improvements. Where there is an increase in assessed value for purposes of the credit under this section, the assessor shall provide a report to the county auditor describing the substantial renovation or new improvements, if any, that were made to the property prior to the increase in assessed value.

SECTION 13. IC 6-1.1-50 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 50. County Option Property Tax Relief for Homesteads**



**Sec. 1.** As used in this chapter, "homestead" refers to a homestead that has been granted a standard deduction under IC 6-1.1-12-37.

**Sec. 2.** As used in this chapter, "qualified individual" means an individual who qualified for a standard deduction granted under IC 6-1.1-12-37 for property taxes first due and payable in 2023 on the qualified individual's homestead property.

**Sec. 3. (a)** A county fiscal body may adopt an ordinance to provide property tax relief as provided in this chapter to qualified individuals on property taxes that are:

- (1) attributable to the qualified individual's homestead property; and
- (2) first due and payable in 2023.

**(b)** An ordinance adopted under this section may allow a qualified individual to elect to receive property tax relief under this chapter in any of the following forms:

- (1) As a rebate check.
- (2) As a credit against the qualified individual's homestead property tax liability installment due in November 2023.
- (3) As a credit against the qualified individual's homestead property tax liability first due and payable in 2024.

**(c)** The county fiscal body shall provide the amount of property tax relief to be provided to each qualified individual in an ordinance adopted under this section. The amount may be an amount:

- (1) determined by the county fiscal body that is equal for all qualified individuals; or
- (2) that is proportional to each qualified individual's share of the total amount of property tax liability first due and payable in 2023 on homesteads.

**Sec. 4.** Before adopting an ordinance under section 3 of this chapter, a county fiscal body must conduct a public hearing on the proposed ordinance. The county fiscal body must publish notice of the public hearing in accordance with IC 5-3-1.

**Sec. 5.** If a county fiscal body adopts an ordinance to provide property tax relief under this chapter, the county fiscal body shall give notice of the adoption of the ordinance to:

- (1) the department of local government finance on the form and in the manner prescribed by the department of local government finance;
- (2) the county auditor; and
- (3) the fiscal officer of each taxing unit within the county;



including a certified copy of the adopted ordinance.

**Sec. 6.** A qualified individual may elect to receive property tax in a manner described in section 3(b) of this chapter by filing a certified statement on forms prescribed by the department of local government finance with the county auditor.

**Sec. 7.** If a qualified individual elects to receive property tax relief in the form of a rebate check as provided in section 3(b)(1) of this chapter, the county auditor shall provide the rebate check to the qualified individual not later than December 31, 2023.

**Sec. 8.** The auditor of each county shall apply a credit against the homestead property tax liability of each qualified individual who makes an election under section 3(b)(2) or 3(b)(3) of this chapter, against the qualified individual's homestead property tax liability installment due in November 2023 or the qualified individual's homestead property tax liability first due and payable in 2024, as applicable.

**Sec. 9.** The department of local government finance shall provide technical assistance to a county fiscal body in adopting and implementing an ordinance under this chapter, as requested by the county fiscal body. The department of local government finance shall provide technical assistance to a county auditor or affected taxing unit in implementing an ordinance adopted under this chapter, as requested by the county auditor or affected taxing unit.

**Sec. 10.** The department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to implement this chapter. An emergency rule adopted under this section expires on the earlier of the following dates:

- (1) The expiration date stated in the emergency rule.
- (2) January 1, 2025.

SECTION 14. IC 6-3.6-7-9, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) This section applies only to Hancock County.

(b) The county fiscal body may, by ordinance, allocate part of the tax rate imposed under IC 6-3.6-5, not to exceed a tax rate of fifteen hundredths percent (0.15%), to a property tax credit against the property tax liability imposed for public libraries in the county, if all territory in the county is included in a library district. The county treasurer shall establish a library property tax replacement fund to be used only for the purposes described in this section. Tax revenues derived from the part of the tax rate imposed under IC 6-3-5 that is designated for property tax replacement credits under this section shall



be deposited in the library property tax replacement fund. Any interest earned on money in the library property tax replacement fund shall be credited to the library property tax replacement fund.

(c) The amount of property tax replacement credits that each public library in the county is entitled to receive during a calendar year under this section equals the lesser of:

(1) the product of:

(A) the amount of revenue deposited by the county auditor in the library property tax replacement fund; multiplied by

(B) a fraction described as follows:

(i) The numerator of the fraction equals the sum of the total property taxes that would have been collected by the public library during the previous calendar year from taxpayers located within the library district if the property tax replacement under this section had not been in effect.

(ii) The denominator of the fraction equals the sum of the total property taxes that would have been collected during the previous year from taxpayers located within the county by all public libraries that are eligible to receive property tax replacement credits under this section if the property tax replacement under this section had not been in effect; or

(2) the total property taxes that would otherwise be collected by the public library for the calendar year if the property tax replacement credit under this section were not in effect.

The department of local government finance shall make any adjustments necessary to account for the expansion of a library district. However, a public library is eligible to receive property tax replacement credits under this section only if it has entered into reciprocal borrowing agreements with all other public libraries in the county. If the total amount of tax revenue deposited by the county auditor in the library property tax replacement fund for a calendar year exceeds the total property tax liability that would otherwise be imposed for public libraries in the county for the year, the excess must remain in the library property tax replacement fund and may be used for library property tax replacement purposes in the following calendar year.

(d) A public library receiving property tax replacement credits under this section shall allocate the credits among each fund for which a distinct property tax levy is imposed in proportion to the property taxes levied for each fund. However, if a public library did not impose a property tax levy during the previous calendar year or did not impose a property tax levy for a particular fund during the previous calendar year, but the public library is imposing a property tax levy in the



current calendar year or is imposing a property tax levy for the particular fund in the current calendar year, the department of local government finance shall adjust the amount of property tax replacement credits allocated among the various funds of the public library and shall provide the adjustment to the county auditor. If a public library receiving property tax replacement credits under this section does not impose a property tax levy for a particular fund that is first due and payable in a calendar year in which the property tax replacement credits are being distributed, the public library is not required to allocate to that fund a part of the property tax replacement credits to be distributed to the public library. Notwithstanding ~~IC 6-1.1-20-1.1(+)~~, **IC 6-1.1-20-1.1(a)(1)**, a public library that receives property tax replacement credits under this section is subject to the procedures for the issuance of bonds set forth in IC 6-1.1-20.

(e) A public library shall treat property tax replacement credits received during a particular calendar year under this section as a part of the public library's property tax levy for each fund for that same calendar year for purposes of fixing the public library's budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5.

(f) For the purpose of allocating tax revenue under IC 6-3.6-6 and computing and distributing tax revenue under IC 6-5.5 or IC 6-6-5, the property tax replacement credits that are received under this section shall be treated as though they were property taxes that were due and payable during that same calendar year.

SECTION 15. IC 6-3.6-9-15, AS AMENDED BY P.L.257-2019, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) If the budget agency determines that the balance in a county trust account exceeds fifteen percent (15%) of the certified distributions to be made to the county in the determination year, the budget agency shall make a supplemental distribution to the county from the county's trust account. The budget agency shall use the trust account balance as of December 31 of the year that precedes the determination year by two (2) years (referred to as the "trust account balance year" in this section).

(b) A supplemental distribution described in subsection (a) must be:

- (1) made at the same time as the determinations are provided to the county auditor under subsection (d)(3); and
- (2) allocated in the same manner as certified distributions for the purposes described in this article.

(c) The amount of a supplemental distribution described in subsection (a) is equal to the amount by which:

- (1) the balance in the county trust account; minus



(2) the amount of any supplemental or special distribution that has not yet been accounted for in the last known balance of the county's trust account; exceeds fifteen percent (15%) of the certified distributions to be made to the county in the determination year.

(d) For a county that qualifies for a supplemental distribution under this section in a year, the following apply:

(1) Before February 15, the budget agency shall update the information described in section 9 of this chapter to include the excess account balances to be distributed under this section.

(2) Before May 2, the budget agency shall provide the amount of the supplemental distribution for the county to the department of local government finance and to the county auditor.

(3) The department of local government finance shall determine for the county and each taxing unit within the county:

(A) the amount and allocation of the supplemental distribution attributable to the taxes that were imposed as of December 31 of the trust account balance year, including any specific distributions for that year; and

(B) the amount of the allocation for each of the purposes set forth in this article, using the allocation percentages in effect in the trust account balance year.

The department of local government finance shall provide these determinations to the county auditor before May 16 of the determination year.

(4) Before June 1, the county auditor shall distribute to each taxing unit the amount of the supplemental distribution that is allocated to the taxing unit under subdivision (3). **However, for a county with a former tax to provide for a levy freeze under IC 6-3.6-11-1, the supplemental distribution shall first be distributed as determined in any resolution adopted under IC 6-3.6-11-1(d).**

For determinations before 2019, the tax rates in effect under and the allocation methods specified in the former income tax laws shall be used for the determinations under subdivision (3).

(e) For any part of a supplemental distribution attributable to property tax credits under a former income tax or IC 6-3.6-5, the adopting body for the county may allocate the supplemental distribution to property tax credits for not more than the three (3) years after the year the supplemental distribution is received.

(f) Any income earned on money held in a trust account established for a county under this chapter shall be deposited in that trust account.



SECTION 16. IC 6-3.6-11-1, AS AMENDED BY P.L.247-2017, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) This section applies to any county that imposed a former tax to provide for a levy freeze.

(b) The tax rate used to provide for a levy freeze shall be part of the tax rate under IC 6-3.6-6. The maximum tax rate that may be applied for a levy freeze is one percent (1%). The levy freeze tax rate may be increased but not decreased or rescinded unless an adopting body adopts a resolution to request approval from the department of local government finance to lower the levy freeze tax rate.

(c) The department shall approve a lower levy freeze tax rate if it finds that the lower rate, **in addition to the supplemental distribution as determined in a resolution adopted under subsection (d)**, would fund the levy freeze dollar amount (the total amount of foregone maximum levy increases for all taxing units for all years). If the department approves a lower levy freeze tax rate, the adopting body must adopt an ordinance to lower the levy freeze tax rate before the lower rate may take effect.

**(d) A county may adopt a resolution to require that a supplemental distribution amount to be distributed under IC 6-3.6-9-15(d)(4) shall first be used to lower the levy freeze tax rate in subsection (c). If a resolution is adopted, the supplemental distribution under IC 6-3.6-9-15(d)(4) shall first be used to lower a county's levy freeze tax rate and any additional supplemental distribution calculated that is above the amount needed to lower the levy freeze tax rate shall be distributed to each taxing unit as provided under IC 6-3.6-9-15(d)(4).**

(e) (e) The revenue from the tax rate shall continue to be applied under this article as it was applied under the former tax, including the use of a stabilization fund.

(f) (f) The distributions of income tax revenue attributable to a levy freeze tax rate shall be made before allocating or distributing the remaining revenue under IC 6-3.6-6 or applying the property tax credits funded by a tax rate under IC 6-3.6-5.

SECTION 17. IC 6-8.1-3-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 29. (a) **This section applies to tax receipts for adjusted gross income taxes due and owing for a taxable year beginning after December 31, 2023.**

(b) **The department shall annually provide to an individual who is a resident of Indiana who:**

**(1) has an individual INTIME electronic account with the**



department; and

(2) filed an individual adjusted gross income (as defined in IC 6-3-1-3.5(a)) tax return with the department;

a taxpayer receipt.

(c) The department, in consultation with the budget agency, shall create the taxpayer receipt in a way that is easy to read and understand. The taxpayer receipt must include an explanation of the following:

(1) That all revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited in the state general fund as required under IC 6-3-7-3(b).

(2) The manner in which state general fund revenues are appropriated by the general assembly, using the list of all appropriations compiled under IC 4-12-1-12, including the use of pie charts to graphically demonstrate how the revenues are expended.

The taxpayer receipt may include information concerning the use of other taxes paid by the taxpayer based on actual data or estimates.

(d) The taxpayer receipt shall be posted on the taxpayer's individual INTIME account.

(e) The department is prohibited from providing a taxpayer with a copy of the taxpayer receipt by mail.

(f) The department, in consultation with the budget agency, shall create and administer an Internet web page on which individual taxpayers may access an estimate of the allocation of their adjusted gross income taxes to various expenditure categories for the most recent state fiscal year based on the adjusted gross income taxes paid by the taxpayer. The web page created under this subsection must contain the following elements:

(1) The web page must be conveniently and easily accessible.

(2) A link to the web page must be prominently displayed on the department's main website.

(3) The web page must provide an estimate of the allocation of the statewide spending of adjusted gross income tax revenue broken down under the following categories:

(A) Public Education.

(B) Higher Education.

(C) Social Services.

(D) Infrastructure.

(E) Criminal Justice.

(F) Economic Development.





**(G) Environment and Natural Resources.**

**(H) Elected Officials.**

**(I) General Government.**

**The estimate under this subdivision must include the amount and the percentage of adjusted gross income tax revenue allocated to each category.**

**(4) The web page must provide an estimate of an individual taxpayer's contribution based on the individual's input of their adjusted gross income tax payments.**

**The department shall include a link to the web page created under this subsection on the Indiana individual income tax return, Form IT-40.**

**SECTION 18. [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)] (a) IC 6-1.1-12-9 and IC 6-1.1-20.6-8.5, both as amended by this act, apply to assessment dates occurring after December 31, 2022, for property taxes first due and payable in 2024.**

**(b) This SECTION expires July 1, 2026.**

**SECTION 19. An emergency is declared for this act.**



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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

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Governor of the State of Indiana

Date: \_\_\_\_\_ Time: \_\_\_\_\_

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