

HOUSE BILL No. 1093

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18-12; IC 6-3.6; IC 33-36-3-6; IC 33-37-7-6.

Synopsis: Local revenue. Provides that a city or town may impose an expenditure rate of not more than 0.5% on the adjusted gross income of residents of the city or town and certain nonresidents whose principal place of business or employment is in the city or town, if the county council of the county in which the city or town is located adopts an ordinance to reduce the maximum county income tax expenditure rate by 0.5%. Provides that a county council that has adopted an ordinance to reduce the maximum local income tax expenditure rate by 0.5% may include a provision in the ordinance specifying the revenue generated by the first 0.5% of the local income tax expenditure rate, after the rate reduction, is to be paid directly to the county and is not shared with any other taxing unit. Provides that a city or town that imposes an expenditure rate keeps all the revenue derived from the tax and may use the revenue for any of the purposes of the city or town. Provides that the maximum property tax rates for county cumulative capital development funds, municipal cumulative capital development funds, and fire protection territory equipment replacement funds will no longer be adjusted each year to account for the change in assessed value that results from a reassessment or the annual adjustment of assessed values. Allows a city or town with a law enforcement agency that prosecutes at least one ordinance violation in a circuit or superior court of the county to collect a share of the semiannual distribution of certain court fees. (Current law requires a city or town to prosecute at least 50% of the city's or town's ordinance violations in the circuit or superior court to receive a share of the semiannual distribution of court fees.)

Effective: July 1, 2016; January 1, 2017; July 1, 2017.

Thompson

January 5, 2016, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 119th General Assembly (2016)

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

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

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1093

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

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

- 1 SECTION 1. IC 6-1.1-18-12, AS AMENDED BY P.L.232-2015,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2017]: Sec. 12. (a) For purposes of this section,
4 "maximum rate" refers to the maximum:
5 (1) property tax rate or rates; or
6 (2) special benefits tax rate or rates;
7 referred to in the statutes listed in subsection (d).
8 (b) The maximum rate for taxes first due and payable after 2003 is
9 the maximum rate that would have been determined under subsection
10 (e) for taxes first due and payable in 2003 if subsection (e) had applied
11 for taxes first due and payable in 2003.
12 (c) The maximum rate must be adjusted each year to account for the
13 change in assessed value of real property that results from:
14 (1) an annual adjustment of the assessed value of real property
15 under IC 6-1.1-4-4.5;
16 (2) a general reassessment of real property under IC 6-1.1-4-4; or
17 (3) a reassessment under a county's reassessment plan prepared



- 1 under IC 6-1.1-4-4.2.
 2 (d) The statutes to which subsection (a) refers are:
 3 (1) IC 8-10-5-17;
 4 (2) IC 8-22-3-11;
 5 (3) IC 8-22-3-25;
 6 (4) IC 12-29-1-1;
 7 (5) IC 12-29-1-2;
 8 (6) IC 12-29-1-3;
 9 (7) IC 12-29-3-6;
 10 (8) IC 13-21-3-12;
 11 (9) IC 13-21-3-15;
 12 (10) IC 14-27-6-30;
 13 (11) IC 14-33-7-3;
 14 (12) IC 14-33-21-5;
 15 (13) IC 15-14-7-4;
 16 (14) IC 15-14-9-1;
 17 (15) IC 15-14-9-2;
 18 (16) IC 16-20-2-18;
 19 (17) IC 16-20-4-27;
 20 (18) IC 16-20-7-2;
 21 (19) IC 16-22-14;
 22 (20) IC 16-23-1-29;
 23 (21) IC 16-23-3-6;
 24 (22) IC 16-23-4-2;
 25 (23) IC 16-23-5-6;
 26 (24) IC 16-23-7-2;
 27 (25) IC 16-23-8-2;
 28 (26) IC 16-23-9-2;
 29 (27) IC 16-41-15-5;
 30 (28) IC 16-41-33-4;
 31 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 32 (30) IC 20-46-6-5;
 33 (31) IC 20-49-2-10;
 34 (32) IC 36-1-19-1;
 35 (33) IC 23-14-66-2;
 36 (34) IC 23-14-67-3;
 37 (35) IC 36-7-13-4;
 38 (36) IC 36-7-14-28;
 39 (37) IC 36-7-15.1-16;
 40 ~~(38) IC 36-8-19-8.5;~~
 41 ~~(39)~~ **(38)** IC 36-9-6.1-2;
 42 ~~(40)~~ **(39)** IC 36-9-17.5-4;



- 1 ~~(41)~~ **(40)** IC 36-9-27-73;
 2 ~~(42)~~ **(41)** IC 36-9-29-31;
 3 ~~(43)~~ **(42)** IC 36-9-29.1-15;
 4 ~~(44)~~ **(43)** IC 36-10-6-2;
 5 ~~(45)~~ **(44)** IC 36-10-7-7;
 6 ~~(46)~~ **(45)** IC 36-10-7-8;
 7 ~~(47)~~ **(46)** IC 36-10-7.5-19;
 8 ~~(48)~~ **(47)** IC 36-10-13-5;
 9 ~~(49)~~ **(48)** IC 36-10-13-7;
 10 ~~(50)~~ **(49)** IC 36-10-14-4;
 11 ~~(51)~~ **(50)** IC 36-12-7-7;
 12 ~~(52)~~ **(51)** IC 36-12-7-8;
 13 ~~(53)~~ **(52)** IC 36-12-12-10;
 14 ~~(54)~~ **(53)** **except as provided in subsection (j)**, a statute listed in
 15 IC 6-1.1-18.5-9.8; and
 16 ~~(55)~~ **(54)** any statute enacted after December 31, 2003, that:
 17 (A) establishes a maximum rate for any part of the:
 18 (i) property taxes; or
 19 (ii) special benefits taxes;
 20 imposed by a political subdivision; and
 21 (B) does not exempt the maximum rate from the adjustment
 22 under this section.
 23 (e) For property tax rates imposed for property taxes first due and
 24 payable after December 31, 2013, the new maximum rate under a
 25 statute listed in subsection (d) is the tax rate determined under STEP
 26 EIGHT of the following STEPS:
 27 STEP ONE: Except as provided in subsection (g), determine the
 28 maximum rate for the political subdivision levying a property tax
 29 or special benefits tax under the statute for the previous calendar
 30 year.
 31 STEP TWO: Determine the actual percentage change (rounded to
 32 the nearest one-hundredth percent (0.01%)) in the assessed value
 33 of the taxable property from the previous calendar year to the year
 34 in which the affected property taxes will be imposed.
 35 STEP THREE: Determine the three (3) calendar years that
 36 immediately precede the year in which the affected property taxes
 37 will be imposed.
 38 STEP FOUR: Compute separately, for each of the calendar years
 39 determined in STEP THREE, the actual percentage change
 40 (rounded to the nearest one-hundredth percent (0.01%)) in the
 41 assessed value (before the adjustment, if any, under
 42 IC 6-1.1-4-4.5) of the taxable property from the preceding year.



- 1 STEP FIVE: Divide the sum of the three (3) quotients computed
 2 in STEP FOUR by three (3).
 3 STEP SIX: Determine the greater of the following:
 4 (A) Zero (0).
 5 (B) The STEP FIVE result.
- 6 STEP SEVEN: Determine the greater of the following:
 7 (A) Zero (0).
 8 (B) The result of the STEP TWO percentage minus the STEP
 9 SIX percentage, if any.
- 10 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
 11 divided by the sum of one (1) plus the STEP SEVEN percentage,
 12 if any.
- 13 (f) The department of local government finance shall compute the
 14 maximum rate allowed under subsection (e) and provide the rate to
 15 each political subdivision with authority to levy a tax under a statute
 16 listed in subsection (d).
- 17 (g) This subsection applies only when calculating the maximum rate
 18 for taxes due and payable in calendar year 2013. The STEP ONE result
 19 is the greater of the following:
 20 (1) The actual maximum rate established for property taxes first
 21 due and payable in calendar year 2012.
 22 (2) The maximum rate that would have been established for
 23 property taxes first due and payable in calendar year 2012 if the
 24 maximum rate had been established under the formula under this
 25 section, as amended in the 2012 session of the general assembly.
- 26 (h) This subsection applies only when calculating the maximum rate
 27 allowed under subsection (e) for the Vincennes Community School
 28 Corporation with respect to property taxes first due and payable in
 29 2014. The subsection (e) STEP ONE result for the school corporation's
 30 capital projects fund is nineteen and forty-two hundredths cents
 31 (\$0.1942).
- 32 (i) This subsection does not apply when calculating the maximum
 33 rate for the Vincennes Community School Corporation. This subsection
 34 applies only when calculating the maximum rate for a school
 35 corporation's capital projects fund for taxes due and payable in calendar
 36 year 2016. The subsection (e) STEP ONE result for purposes of the
 37 calculation of that maximum rate is the greater of the following:
 38 (1) The actual maximum rate established for the school
 39 corporation's capital projects fund for property taxes first due and
 40 payable in calendar year 2015.
 41 (2) The maximum rate that would have been established for the
 42 school corporation's capital projects fund for property taxes first



1 due and payable in calendar year 2015 if the formula specified in
 2 subsection (e) had been in effect for the determination of
 3 maximum rates for each calendar year after 2006.

4 **(j) For property taxes first due and payable after 2016, the**
 5 **maximum tax rate under the following statutes may not be**
 6 **adjusted under this section or any other law for a change in**
 7 **assessed value of real property that results from an annual**
 8 **adjustment of assessed value under IC 6-1.1-4-4.5, a general**
 9 **reassessment of real property under IC 6-1.1-4-4, or a**
 10 **reassessment under a county's reassessment plan prepared under**
 11 **IC 6-1.1-4-4.2:**

12 (1) **IC 36-9-14.5-6 (county cumulative capital development**
 13 **fund).**

14 (2) **IC 36-9-15.5-6 (municipal cumulative capital development**
 15 **fund).**

16 (3) **IC 36-8-19-8.5 (fire protection territory equipment**
 17 **replacement fund).**

18 SECTION 2. IC 6-3.6-2-5, AS ADDED BY P.L.243-2015,
 19 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JANUARY 1, 2017]: Sec. 5. "Certified distribution" refers to the
 21 amount certified under IC ~~6-3.6-9-5(b)~~, **IC 6-3.6-9-5(c)**, as adjusted
 22 under IC 6-3.6-9.

23 SECTION 3. IC 6-3.6-2-10.3 IS ADDED TO THE INDIANA
 24 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2017]: **Sec. 10.3. "Fiscal officer" has the**
 26 **meaning set forth in IC 36-1-2-7.**

27 SECTION 4. IC 6-3.6-2-13.5 IS ADDED TO THE INDIANA
 28 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 29 [EFFECTIVE JANUARY 1, 2017]: **Sec. 13.5. "Municipality" has the**
 30 **meaning set forth in IC 36-1-2-11.**

31 SECTION 5. IC 6-3.6-3-5, AS ADDED BY P.L.243-2015,
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2017]: Sec. 5. (a) **Except as otherwise provided in this**
 34 **section**, the auditor of a county shall record all votes taken on
 35 ordinances presented for a vote under this article and not more than ten
 36 (10) days after the vote, send a certified copy of the results to:

37 (1) the commissioner of the department of state revenue; and

38 (2) the commissioner of the department of local government
 39 finance;

40 in an electronic format approved by the commissioner of the
 41 department of local government finance.

42 (b) This subsection applies only to a county that has a local income



1 tax council. The county auditor may cease sending certified copies after
 2 the county auditor sends a certified copy of results showing that
 3 members of the local income tax council have cast a majority of the
 4 votes on the local income tax council for or against the proposed
 5 ordinance.

6 **(c) In the case of a municipality that acts on an ordinance**
 7 **presented for a vote under this article, the fiscal officer of the**
 8 **municipality shall perform the duties described in subsection (a).**

9 SECTION 6. IC 6-3.6-6-2, AS ADDED BY P.L.243-2015,
 10 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2017]: Sec. 2. (a) This section applies to all counties.

12 **(b) Except as provided in subsection (c),** the adopting body may
 13 impose a tax rate under this chapter that does not exceed:

- 14 (1) two and five-tenths percent (2.5%) in all counties other than
 15 Marion County; and
 16 (2) two and seventy-five hundredths percent (2.75%) in Marion
 17 County;

18 on the adjusted gross income of local taxpayers in the county served by
 19 the adopting body.

20 **(c) If an ordinance adopted under section 2.5 of this chapter is**
 21 **in effect in a county, the adopting body may impose a tax rate**
 22 **under this chapter that does not exceed:**

- 23 (1) two percent (2%), if the county is not Marion County; and
 24 (2) two and twenty-five hundredths percent (2.25%), if the
 25 county is Marion County;

26 on the adjusted gross income of local taxpayers in the county
 27 served by the adopting body.

28 SECTION 7. IC 6-3.6-6-2.5 IS ADDED TO THE INDIANA CODE
 29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2017]: Sec. 2.5. (a) Subject to section 5 of this chapter
 31 and IC 6-3.6-4-3, a county council may adopt an ordinance in an
 32 odd-numbered year to reduce the county's maximum expenditure
 33 rate specified in section 2(b) of this chapter by five-tenths percent
 34 (0.5%).

35 **(b) Subject to section 5 of this chapter and IC 6-3.6-4-3, an**
 36 **ordinance adopted under subsection (a) may contain a separate**
 37 **provision that specifies that revenue generated by the part of the**
 38 **county expenditure rate equal to five-tenths percent (0.5%), after**
 39 **the reduction in the maximum expenditure rate described in**
 40 **subsection (a), is to be distributed directly to the county before**
 41 **distribution of the remainder of the expenditure rate revenue.**

42 **(c) Notwithstanding IC 6-3.6-3-3, an ordinance adopted under**



1 this section does not take effect until after the county council
 2 adopts the ordinance for a second time in the immediately
 3 succeeding odd-numbered year. An ordinance adopted for a second
 4 time in the immediately succeeding odd-numbered year takes effect
 5 as follows:

6 (1) An ordinance adopted for the second time before
 7 November 2 of the immediately following odd-numbered year
 8 takes effect January 1 of the year immediately following the
 9 year in which the ordinance was adopted for the second time.

10 (2) An ordinance adopted for the second time after November
 11 1 of the immediately following odd-numbered year takes
 12 effect January 1 of the odd-numbered year immediately
 13 following the year in which the ordinance was adopted for a
 14 second time.

15 SECTION 8. IC 6-3.6-6-3, AS ADDED BY P.L.243-2015,
 16 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2017]: Sec. 3. Revenue raised from a tax imposed under this
 18 chapter shall be treated as follows:

19 (1) If an ordinance having a provision described in section
 20 2.5(b) of this chapter is in effect in a county, to make a
 21 distribution to the county equal to the amount of revenue
 22 generated by the first five-tenths percent (0.5%) of the rate.

23 ~~(+)~~ (2) After making the distribution described in subdivision
 24 (1), if any, to make distributions to school corporations and civil
 25 taxing units in counties that formerly imposed a tax under
 26 IC 6-3.5-1.1. The revenue categorized from the first next
 27 twenty-five hundredths percent (0.25%) of the rate for a former
 28 tax adopted under IC 6-3.5-1.1 shall be allocated to school
 29 corporations and civil taxing units. The amount of the allocation
 30 to a school corporation or civil taxing unit shall be determined
 31 using the allocation amounts for civil taxing units and school
 32 corporations in the determination.

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

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

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

41 SECTION 9. IC 6-3.6-6-11, AS ADDED BY P.L.243-2015,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2017]: Sec. 11. (a) Except as provided in this chapter
 2 and IC 6-3.6-11, this section applies to an allocation of certified shares
 3 in all counties.

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

7 (c) A school corporation is not a civil taxing unit for the purpose of
 8 receiving an allocation of certified shares under this chapter. The
 9 distributions to school corporations and civil taxing units in counties
 10 that formerly imposed a tax under IC 6-3.5-1.1 as provided in section
 11 ~~3(1)~~ **3(2)** of this chapter is not considered an allocation of certified
 12 shares. A school corporation's allocation amount for purposes of
 13 section ~~3(1)~~ **3(2)** of this chapter shall be determined under section 12
 14 of this chapter.

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

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

- 23 (1) expire on a date specified in the resolution; or
- 24 (2) remain in effect until the county fiscal body revokes or
 25 rescinds the resolution.

26 SECTION 10. IC 6-3.6-6-12, AS ADDED BY P.L.243-2015,
 27 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2017]: Sec. 12. (a) Except as provided in this chapter
 29 and IC 6-3.6-11, this section applies to an allocation of certified shares
 30 in all counties.

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

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

36 STEP TWO: Determine the sum of the following:

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

41 (B) Amounts appropriated from property taxes to make
 42 payments on any lease entered into after June 30, 2005, other



- 1 than a lease described in subsection (d).
 2 STEP THREE: Subtract the STEP TWO amount from the STEP
 3 ONE amount.
 4 STEP FOUR: Determine the sum of:
 5 (A) the STEP THREE amount; plus
 6 (B) the civil taxing unit's certified shares plus the amount
 7 distributed under section ~~3(1)~~ 3(2) of this chapter for the
 8 previous calendar year.
 9 The allocation amount is subject to adjustment as provided in
 10 IC 36-8-19-7.5.
 11 (c) Except as provided in this subsection, an appropriation from
 12 property taxes to repay interest and principal of a debt obligation is not
 13 deducted from the allocation amount for a civil taxing unit if:
 14 (1) the debt obligation was issued; and
 15 (2) the proceeds were appropriated from property taxes;
 16 to refund or otherwise refinance a debt obligation or a lease issued
 17 before July 1, 2005. However, an appropriation from property taxes
 18 related to a debt obligation issued after June 30, 2005, is deducted if
 19 the debt extends payments on a debt or lease beyond the time in which
 20 the debt or lease would have been payable if the debt or lease had not
 21 been refinanced or increases the total amount that must be paid on a
 22 debt or lease in excess of the amount that would have been paid if the
 23 debt or lease had not been refinanced. The amount of the deduction is
 24 the annual amount for each year of the extension period or the annual
 25 amount of the increase over the amount that would have been paid.
 26 (d) Except as provided in this subsection, an appropriation from
 27 property taxes to make payments on a lease is not deducted from the
 28 allocation amount for a civil taxing unit if:
 29 (1) the lease was issued; and
 30 (2) the proceeds were appropriated from property taxes;
 31 to refinance a debt obligation or lease issued before July 1, 2005.
 32 However, an appropriation from property taxes related to a lease
 33 entered into after June 30, 2005, is deducted if the lease extends
 34 payments on a debt or lease beyond the time in which the debt or lease
 35 would have been payable if the debt or lease had not been refinanced
 36 or increases the total amount that must be paid on a debt or lease in
 37 excess of the amount that would have been paid if the debt or lease had
 38 not been refinanced. The amount of the deduction is the annual amount
 39 for each year of the extension period or the annual amount of the
 40 increase over the amount that would have been paid.
 41 SECTION 11. IC 6-3.6-6-20, AS ADDED BY P.L.243-2015,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2017]: Sec. 20. (a) This section applies to any allocation
 2 or distribution of revenue under section ~~3(1) or 3(2)~~ **or 3(3)** of this
 3 chapter that is made on the basis of property tax levies. If a school
 4 corporation or civil taxing unit of an adopting county does not impose
 5 a property tax levy that is first due and payable in a calendar year in
 6 which revenue under section ~~3(1) or 3(2)~~ **or 3(3)** of this chapter is
 7 being allocated or distributed, that school corporation or civil taxing
 8 unit is entitled to receive a part of the revenue under section ~~3(1) or~~
 9 ~~3(2)~~ **or 3(3)** of this chapter (as appropriate) to be distributed within the
 10 county. The fractional amount that such a school corporation or civil
 11 taxing unit is entitled to receive each month during that calendar year
 12 equals the product of the following:

13 (1) The amount of revenue under section ~~3(1) or 3(2)~~ **or 3(3)** of
 14 this chapter to be distributed on the basis of property tax levies
 15 during that month; multiplied by

16 (2) A fraction. The numerator of the fraction equals the budget of
 17 that school corporation or civil taxing unit for that calendar year.
 18 The denominator of the fraction equals the aggregate budgets of
 19 all school corporations or civil taxing units of that county for that
 20 calendar year.

21 (b) If for a calendar year a school corporation or civil taxing unit is
 22 allocated a part of a county's revenue under section ~~3(1) or 3(2)~~ **or 3(3)**
 23 of this chapter by subsection (a), the calculations used to determine the
 24 shares of revenue of all other school corporations and civil taxing units
 25 under section ~~3(1) or 3(2)~~ **or 3(3)** of this chapter (as appropriate) shall
 26 be changed each month for that same year by reducing the amount of
 27 revenue to be distributed by the amount of revenue under section ~~3(1)~~
 28 ~~or 3(2)~~ **or 3(3)** of this chapter allocated under subsection (a) for that
 29 same month. The department of local government finance shall make
 30 any adjustments required by this subsection and provide them to the
 31 appropriate county auditors.

32 SECTION 12. IC 6-3-6-8-1, AS ADDED BY P.L.243-2015,
 33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2017]: Sec. 1. (a) If for any taxable year a local taxpayer
 35 is subject to different tax rates for the tax imposed by a particular
 36 county, the taxpayer's tax rate for that county and that taxable year is
 37 the rate determined in the last STEP of the following STEPS:

38 STEP ONE: For each tax rate in effect in a year, multiply:

39 (A) the number of months in the taxpayer's taxable year in
 40 which the rate is in effect; by

41 (B) the rate.

42 STEP TWO: Divide:



- 1 (A) the sum of the amounts determined under STEP ONE; by
- 2 (B) twelve (12).

3 **(b) If for any taxable year a municipal taxpayer (as defined in**
 4 **IC 6-3.6-12-2) is subject to different tax rates for the tax imposed**
 5 **by a particular municipality under IC 6-3.6-12, the taxpayer's tax**
 6 **rate for that municipality and that taxable year is the rate**
 7 **determined in the last STEP of the following STEPS:**

- 8 **STEP ONE: For each tax rate in effect in a year, multiply:**
 9 (A) the number of months in the taxpayer's taxable year in
 10 which the rate is in effect; by
 11 (B) the rate.

- 12 **STEP TWO: Divide:**
 13 (A) the sum of the amounts determined under STEP ONE;
 14 by
 15 (B) twelve (12).

16 SECTION 13. IC 6-3.6-8-2, AS ADDED BY P.L.243-2015,
 17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2017]: Sec. 2. **(a) If for any taxable year the tax**
 19 **imposed by a particular county is not in effect during a local**
 20 **taxpayer's entire taxable year, the amount of tax that the local taxpayer**
 21 **owes for that taxable year equals the product of:**

- 22 (1) the amount of tax the local taxpayer would owe if the tax had
- 23 been imposed during the local taxpayer's entire taxable year;
- 24 multiplied by
- 25 (2) a fraction equal to:
 - 26 (A) the number of days in the local taxpayer's taxable year
 - 27 during which the tax was in effect; divided by
 - 28 (B) the total number of days in the local taxpayer's taxable
 - 29 year.

30 However, if the taxpayer files state income tax returns on a calendar
 31 year basis, the fraction to be applied under this section is one-half (1/2).

32 **(b) If for any taxable year the tax imposed by a particular**
 33 **municipality under IC 6-3.6-12 is not in effect during a municipal**
 34 **taxpayer's (as defined in IC 6-3.6-12-2) entire taxable year, the**
 35 **amount of tax that the municipal taxpayer owes for that taxable**
 36 **year equals the product of:**

- 37 (1) the amount of tax the municipal taxpayer would owe if the
- 38 tax had been imposed during the municipal taxpayer's entire
- 39 taxable year; multiplied by
- 40 (2) a fraction equal to:
 - 41 (A) the number of days in the municipal taxpayer's taxable
 - 42 year during which the tax was in effect; divided by



1 **(B) the total number of days in the municipal taxpayer's**
 2 **taxable year.**

3 **However, if the taxpayer files state income tax returns on a**
 4 **calendar year basis, the fraction to be applied under this section is**
 5 **one-half (1/2).**

6 SECTION 14. IC 6-3.6-8-3.5 IS ADDED TO THE INDIANA
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
 8 [EFFECTIVE JANUARY 1, 2017]: **Sec. 3.5. (a) The definitions in**
 9 **IC 6-3.6-12-2 apply throughout this section.**

10 **(b) An individual shall be treated as a resident of the affected**
 11 **district of a municipality if:**

12 **(1) the individual maintains a home in the affected district of**
 13 **the municipality and the individual maintains only one (1)**
 14 **home in Indiana;**

15 **(2) subdivision (1) does not apply and the individual is**
 16 **registered to vote in the affected district of a municipality;**

17 **(3) subdivisions (1) and (2) do not apply and the individual**
 18 **registers the individual's personal automobile in the affected**
 19 **district of the municipality; or**

20 **(4) subdivisions (1) through (3) do not apply and the**
 21 **individual spent the majority of the individual's time in**
 22 **Indiana in the affected district of the municipality during the**
 23 **taxable year in question.**

24 **(c) For purposes of IC 6-3.6-12, the residence or principal place**
 25 **of business or employment of an individual is to be determined on**
 26 **January 1 of the calendar year in which the individual's taxable**
 27 **year commences. If an individual changes the location of the**
 28 **individual's residence or principal place of employment or business**
 29 **during a calendar year to a location in Indiana outside the affected**
 30 **district of a municipality, the individual's liability for tax is not**
 31 **affected.**

32 SECTION 15. IC 6-3.6-8-4, AS ADDED BY P.L.243-2015,
 33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2017]: **Sec. 4. (a) Using procedures provided under this**
 35 **chapter, the adopting body of any adopting county may pass an**
 36 **ordinance to enter into reciprocity agreements with the taxing authority**
 37 **of any city, town, municipality, county, or other similar local**
 38 **governmental entity of any other state. The reciprocity agreements**
 39 **must provide that the income of resident local taxpayers is exempt from**
 40 **income taxation by the other local governmental entity to the extent**
 41 **income of the residents of the other local governmental entity is exempt**
 42 **from the tax in the adopting county.**



1 **(b) The fiscal body of a municipality that adopts an ordinance**
 2 **to impose a tax under IC 6-3.6-12 may pass an ordinance to enter**
 3 **into reciprocity agreements with the taxing authority of any city,**
 4 **town, municipality, county, or other similar local governmental**
 5 **entity of any other state. The reciprocity agreements must provide**
 6 **that the income of resident municipal taxpayers (as defined in**
 7 **IC 6-3.6-12-2) is exempt from income taxation by the other local**
 8 **governmental entity to the extent that income of residents of the**
 9 **other local governmental entity is exempt from the tax imposed**
 10 **under IC 6-3.6-12 in the municipality.**

11 ~~(b)~~ **(c)** A reciprocity agreement adopted under this section may not
 12 become effective until it is also made effective in the other local
 13 governmental entity that is a party to the agreement.

14 ~~(c)~~ **(d)** The form and effective date of any reciprocity agreement
 15 described in this section must be approved by the department.

16 SECTION 16. IC 6-3.6-9-1, AS ADDED BY P.L.243-2015,
 17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2017]: Sec. 1. (a) A trust account within the state general
 19 fund shall be established for each county **or municipality** that imposes
 20 a tax **under this article**. Any revenue derived from the imposition of
 21 the tax by a county **or municipality** shall be deposited in that county's
 22 **or municipality's** trust account in the state general fund.

23 (b) Any income earned on money held in a trust account under
 24 subsection (a) becomes a part of that trust account.

25 (c) Any revenue remaining in a trust account established under
 26 subsection (a) at the end of a fiscal year does not revert to the state
 27 general fund.

28 SECTION 17. IC 6-3.6-9-4, AS ADDED BY P.L.243-2015,
 29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2017]: Sec. 4. **(a)** Revenue derived from the imposition
 31 of the tax shall, in the manner prescribed by this chapter, be distributed
 32 to the county **or municipality** that imposed it.

33 **(b) This subsection applies to a tax imposed by a county.** The
 34 amount that is to be distributed to a county during an ensuing calendar
 35 year equals the amount of tax revenue that the budget agency
 36 determines has been:

37 (1) received from that county for a taxable year ending in a
 38 calendar year preceding the calendar year in which the
 39 determination is made; and

40 (2) reported on an annual return or amended return processed by
 41 the department in the state fiscal year ending before July 1 of the
 42 calendar year in which the determination is made;



1 as adjusted for refunds of tax made in the state fiscal year.

2 **(c) This subsection applies to a tax imposed by a municipality.**
 3 **The amount that is to be distributed to a municipality during an**
 4 **ensuing calendar year equals the amount of tax revenue that the**
 5 **budget agency determines has been:**

6 **(1) received from that municipality for a taxable year ending**
 7 **in a calendar year preceding the calendar year in which the**
 8 **determination is made; and**

9 **(2) reported on an annual return or amended return**
 10 **processed by the department in the state fiscal year ending**
 11 **before July 1 of the calendar year in which the determination**
 12 **is made;**

13 **as adjusted for refunds of tax made in the state fiscal year.**

14 SECTION 18. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015,
 15 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2017]: Sec. 5. **(a) This section applies to a county that**
 17 **imposes a tax under this article.**

18 ~~(a)~~ **(b)** Before August 2 of each calendar year, the budget agency
 19 shall provide to the department of local government finance and the
 20 county auditor of each adopting county an estimate of the amount
 21 determined under section 4 of this chapter that will be distributed to the
 22 county, based on known tax rates. Not later than fifteen (15) days after
 23 receiving the estimate of the certified distribution, the department of
 24 local government finance shall determine for each taxing unit and
 25 notify the county auditor of the estimated amount of property tax
 26 credits, school distributions, public safety revenue, economic
 27 development revenue, certified shares, and special purpose revenue
 28 that will be distributed to the taxing unit under this chapter during the
 29 ensuing calendar year. Not later than thirty (30) days after receiving the
 30 department's estimate, the county auditor shall notify each taxing unit
 31 of the amounts estimated for the taxing unit.

32 ~~(b)~~ **(c)** Before October 1 of each calendar year, the budget agency
 33 shall certify to the department of local government finance and the
 34 county auditor of each adopting county:

- 35 (1) the amount determined under section 4 of this chapter; and
- 36 (2) the amount of interest in the county's account that has accrued
- 37 and has not been included in a certification made in a preceding
- 38 year.

39 The amount certified is the county's certified distribution for the
 40 immediately succeeding calendar year. The amount certified shall be
 41 adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not
 42 later than fifteen (15) days after receiving the amount of the certified



1 distribution, the department of local government finance shall
 2 determine for each taxing unit and notify the county auditor of the
 3 certified amount of property tax credits, school distributions, public
 4 safety revenue, economic development revenue, certified shares, and
 5 special purpose revenue that will be distributed to the taxing unit under
 6 this chapter during the ensuing calendar year. Not later than thirty (30)
 7 days after receiving the department's estimate, the county auditor shall
 8 notify each taxing unit of the certified amounts for the taxing unit.

9 SECTION 19. IC 6-3.6-9-5.5 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 2017]: **Sec. 5.5. (a) This section applies
 12 to a municipality that imposes a tax under this article.**

13 **(b) Before August 2 of each calendar year, the budget agency
 14 shall provide to the department of local government finance and
 15 the fiscal officer of each municipality to which this section applies
 16 an estimate of the amount determined under section 4 of this
 17 chapter that will be distributed to the municipality, based on
 18 known tax rates.**

19 **(c) Before October 1 of each calendar year, the budget agency
 20 shall certify to the department of local government finance and the
 21 fiscal officer of each municipality to which this section applies:**

- 22 **(1) the amount determined under section 4 of this chapter;**
 23 **and**
 24 **(2) the amount of interest in the municipality's account that
 25 has accrued and has not been included in a certification made
 26 in a preceding year.**

27 **The amount certified is the municipality's certified distribution for
 28 the immediately succeeding calendar year. The amount certified
 29 shall be adjusted, as necessary, under sections 6, 7, and 8 of this
 30 chapter.**

31 SECTION 20. IC 6-3.6-9-6, AS ADDED BY P.L.243-2015,
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2017]: Sec. 6. The budget agency shall certify an amount
 34 less than the amount determined under section 5(b) 5(c) or 5.5(c) of
 35 this chapter if the budget agency determines that the reduced
 36 distribution is necessary to offset overpayments made in a calendar
 37 year before the calendar year of the distribution. The budget agency
 38 may reduce the amount of the certified distribution over several
 39 calendar years so that any overpayments are offset over several years
 40 rather than in one (1) lump sum.

41 SECTION 21. IC 6-3.6-9-7, AS ADDED BY P.L.243-2015,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2017]: Sec. 7. The budget agency shall adjust the
 2 certified distribution of a county **or a municipality** to correct for any
 3 clerical or mathematical errors made in any previous certification under
 4 this section. The budget agency may reduce the amount of the certified
 5 distribution over several calendar years so that any adjustment under
 6 this subsection is offset over several years rather than in one (1) lump
 7 sum.

8 SECTION 22. IC 6-3.6-9-8, AS ADDED BY P.L.243-2015,
 9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JANUARY 1, 2017]: Sec. 8. This section applies to a county **or**
 11 **municipality** that imposes, increases, decreases, or rescinds a tax or
 12 tax rate under this article before November 1 in the same calendar year
 13 in which the budget agency makes a certification under this section.
 14 The budget agency shall adjust the certified distribution of a county **or**
 15 **municipality** to provide for a distribution in the immediately following
 16 calendar year and in each calendar year thereafter. The budget agency
 17 shall provide for a full transition to certification of distributions as
 18 provided in section ~~4(1)~~ **4(b)(1)** through ~~4(2)~~ **4(b)(2) or 4(c)(1)**
 19 **through 4(c)(2)** of this chapter in the manner provided in section 6 of
 20 this chapter. If the county **or municipality** imposes, increases,
 21 decreases, or rescinds a tax or tax rate under this article after the date
 22 for which a certification under section ~~5(b)~~ **5(c) or 5.5(c)** of this
 23 chapter is based, the budget agency shall adjust the certified
 24 distribution of the county **or municipality** after October 1 and before
 25 December 1 of the calendar year. The adjustment must reflect any other
 26 adjustment required under sections 6 and 7 of this chapter. The
 27 adjusted certification shall be treated as the county's **or municipality's**
 28 certified distribution for the immediately succeeding calendar year. **In**
 29 **the case of a county**, the budget agency shall certify the adjusted
 30 certified distribution to the county auditor for the county and provide
 31 the county council with an informative summary of the calculations
 32 that revises the informative summary provided in section 9 of this
 33 chapter and reflects the changes made in the adjustment. **In the case**
 34 **of a municipality, the budget agency shall certify the adjusted**
 35 **certified distribution to the fiscal officer for the municipality and**
 36 **provide the fiscal body of the municipality with an informative**
 37 **summary of the calculations that revises the informative summary**
 38 **provided in section 9 of this chapter and reflects the changes made**
 39 **in the adjustment.**

40 SECTION 23. IC 6-3.6-9-9, AS ADDED BY P.L.243-2015,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2017]: Sec. 9. The budget agency shall provide the



1 county council **or the fiscal body of the municipality** with an
 2 informative summary of the calculations used to determine the certified
 3 distribution. The summary of calculations must include:

- 4 (1) the amount reported on individual income tax returns
 5 processed by the department during the previous fiscal year;
 6 (2) adjustments for over distributions in prior years;
 7 (3) adjustments for clerical or mathematical errors in prior years;
 8 (4) adjustments for tax rate changes; and
 9 (5) the amount of excess account balances to be distributed under
 10 section 15 of this chapter.

11 SECTION 24. IC 6-3.6-9-10, AS ADDED BY P.L.243-2015,
 12 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2017]: Sec. 10. **(a) This subsection applies to a county
 14 that imposes a tax under this article.** The budget agency shall also
 15 certify information concerning the part of the certified distribution that
 16 is attributable to each of the following:

- 17 (1) The tax rate imposed under IC 6-3.6-5.
 18 (2) The tax rate imposed under IC 6-3.6-6.
 19 (3) Each tax rate imposed under IC 6-3.6-7.

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

22 **(b) This subsection applies to a municipality that imposes a tax
 23 under this article. The amount certified shall be adjusted to reflect
 24 any adjustment in the certified distribution under this chapter.**

25 SECTION 25. IC 6-3.6-9-12, AS ADDED BY P.L.243-2015,
 26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JANUARY 1, 2017]: Sec. 12. **(a) This subsection applies to a county
 28 that imposes a tax under this article.** One-twelfth (1/12) of each
 29 adopting county's certified distribution for a calendar year shall be
 30 distributed from its trust account established under this chapter to the
 31 appropriate county treasurer on the first regular business day of each
 32 month of that calendar year.

33 **(b) This subsection applies to a municipality that imposes a tax
 34 under this article. One-twelfth (1/12) of each municipality's
 35 certified distribution for a calendar year shall be distributed from
 36 its trust account established under this chapter to the appropriate
 37 fiscal officer of the municipality on the first regular business day
 38 of each month of that calendar year.**

39 SECTION 26. IC 6-3.6-9-14, AS ADDED BY P.L.243-2015,
 40 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2017]: Sec. 14. **(a) This subsection applies to a county
 42 that imposes a tax under this article.** Before November 2 of each



1 year, the budget agency shall submit a report to each county auditor
 2 indicating the balance in the county's trust account as of the cutoff date
 3 set by the budget agency.

4 **(b) This subsection applies to a municipality that imposes a tax**
 5 **under this article. Before November 2 of each year, the budget**
 6 **agency shall submit a report to each fiscal officer or a municipality**
 7 **to which this subsection applies indicating the balance in the**
 8 **municipality's trust account as of the cutoff date set by the budget**
 9 **agency.**

10 SECTION 27. IC 6-3.6-9-15.5 IS ADDED TO THE INDIANA
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JANUARY 1, 2017]: **Sec. 15.5. (a) If the budget**
 13 **agency determines that the balance in a municipality trust account**
 14 **exceeds fifty percent (50%) of the certified distributions to be made**
 15 **to the municipality in the ensuing year, the budget agency shall**
 16 **make a supplemental distribution to the municipality from the**
 17 **municipality's special account.**

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

- 20 (1) made in January of the ensuing calendar year; and
 21 (2) allocated in the same manner as certified distributions for
 22 deposit in a civil unit's rainy day fund established under
 23 IC 36-1-8-5.1.

24 The amount of the supplemental distribution is equal to the
 25 amount by which the balance in the municipality's trust account
 26 exceeds fifty percent (50%) of the certified distributions to be made
 27 to the municipality in the ensuing year.

28 **(c) Any income earned on money held in a trust account**
 29 **established for a municipality under this chapter shall be deposited**
 30 **in that trust account.**

31 **(d) A determination under this section must be made before**
 32 **November 2.**

33 SECTION 28. IC 6-3.6-12 IS ADDED TO THE INDIANA CODE
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2017]:

36 **Chapter 12. City and Town Expenditure Rates**

37 **Sec. 1. This chapter applies to a municipality if the municipality**
 38 **is located in a county in which an ordinance adopted under**
 39 **IC 6-3.6-6-2.5 is in effect. If a municipality is located in two (2) or**
 40 **more counties, the municipality may impose the tax authorized by**
 41 **this chapter only in the affected district of the municipality.**

42 **Sec. 2. The following definitions apply throughout this chapter:**



1 (1) "Adjusted gross income" has the meaning set forth in
2 IC 6-3-1-3.5. However:

- 3 (A) in the case of a municipal taxpayer who is not treated
4 as a resident municipal taxpayer of a county, the term
5 includes only adjusted gross income derived from the
6 taxpayer's principal place of business or employment; and
7 (B) in the case of a resident municipal taxpayer of Perry
8 County, the term does not include adjusted gross income
9 described in IC 6-3.6-8-7.

10 (2) "Affected district", as the term relates to a particular
11 municipality, means the part of the municipality's territory
12 that lies within a county in which an ordinance adopted under
13 IC 6-3.6-6-2.5 is in effect.

14 (3) "Municipal taxpayer", as the term relates to a particular
15 municipality, means an individual who:

16 (A) resides in the affected district of that municipality on
17 the date specified in IC 6-3.6-8-3; or

18 (B) both:

- 19 (i) maintains the taxpayer's principal place of business or
20 employment in the affected district of the municipality
21 on the date specified in IC 6-3.6-8-3; and
22 (ii) does not reside on that same date in the affected
23 district of another municipality.

24 (4) "Resident municipal taxpayer", as the term relates to a
25 particular municipality, means a municipal taxpayer
26 described in subdivision (3)(A).

27 Sec. 3. (a) The fiscal body of a municipality to which this
28 chapter applies may adopt an ordinance to impose an expenditure
29 rate not to exceed five-tenths percent (0.5%) of the adjusted gross
30 income of each municipal taxpayer in the affected district of the
31 municipality.

32 (b) Subject to subsection (a) and section 7 of this chapter, the
33 fiscal body of a municipality that has adopted an ordinance under
34 subsection (a) may:

- 35 (1) amend the ordinance to increase or decrease the rate at
36 which the tax is imposed; or
37 (2) rescind the ordinance.

38 Sec. 4. Revenue raised from a tax imposed under this chapter
39 shall be treated as additional revenue (referred to as "additional
40 revenue" in this chapter). Additional revenue may not be
41 considered by the department of local government finance in
42 determining:



1 (1) a municipality's maximum permissible property tax levy
2 limit under IC 6-1.1-18.5; or
3 (2) the approved property tax rate for any fund.
4 **Sec. 5. A municipality may use revenue raised from a tax**
5 **imposed under this chapter for any of the purposes of the**
6 **municipality.**
7 **Sec. 6. A municipality may pledge revenue raised from a tax**
8 **imposed under this chapter to the payment of bonds or to lease**
9 **payments for:**
10 (1) any purpose of the municipality;
11 (2) any purpose of another governmental entity located in any
12 part of a county in which the municipality is located,
13 including a governmental entity organized on a regional basis;
14 or
15 (3) any purpose for which certified shares may be used under
16 IC 6-3.6-10.
17 **The pledge must be approved in an ordinance adopted by the fiscal**
18 **body of the municipality.**
19 **Sec. 7. The fiscal body of a municipality that has adopted an**
20 **ordinance under section 6 of this chapter may not allocate in a year**
21 **less to the payment of bonds or leases for which the tax under this**
22 **chapter has been pledged in accordance with law than the amount**
23 **pledged and payable in that year or required under the agreements**
24 **for the bonds or leases to be deposited in a sinking fund or other**
25 **reserve in that year.**
26 **Sec. 8. (a) A municipality may distribute any part of the revenue**
27 **raised by a tax imposed under this chapter to any governmental**
28 **entity located in any part of a county in which the municipality is**
29 **located to:**
30 (1) carry out a joint purpose; or
31 (2) fund the purposes of the other governmental entity;
32 **including a governmental entity organized on a regional basis to**
33 **serve an area in more than one (1) county.**
34 **(b) The distribution must be authorized by an ordinance of the**
35 **fiscal body of the municipality. An ordinance must specify the**
36 **purpose of the designation and its duration.**
37 SECTION 29. IC 33-36-3-6, AS AMENDED BY P.L.1-2010,
38 SECTION 134, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~(a)~~ An ordinance violation
40 admitted under this article does not constitute a judgment for the
41 purposes of IC 33-37. An ordinance violation costs fee may not be
42 collected from the defendant under IC 33-37-4.



1 (b) An ordinance violation processed under this chapter may not be
 2 considered for the purposes of IC 33-37-7-6 when determining the
 3 percentage of ordinance violations prosecuted in certain courts.

4 SECTION 30. IC 33-37-7-6, AS AMENDED BY P.L.201-2011,
 5 SECTION 102, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) The qualified municipality
 7 share to be distributed to each city and town maintaining a law
 8 enforcement agency that prosecutes at least ~~fifty percent (50%)~~ **one (1)**
 9 of the city's or town's ordinance violations in a circuit or superior court
 10 located in the county is three percent (3%) of the amount of fees
 11 collected under the following:

- 12 (1) IC 33-37-4-1(a) (criminal costs fees).
- 13 (2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).
- 14 (3) IC 33-37-4-3(a) (juvenile costs fees).
- 15 (4) IC 33-37-4-4(a) (civil costs fees).
- 16 (5) IC 33-37-4-6(a)(1) (small claims costs fees).
- 17 (6) IC 33-37-4-7(a) (probate costs fees).
- 18 (7) IC 33-37-5-17 (deferred prosecution fees).

19 (b) The county auditor shall determine the amount to be distributed
 20 to each city and town qualified under subsection (a) as follows:

21 STEP ONE: Determine the population of the qualified city or
 22 town.

23 STEP TWO: Add the populations of all qualified cities and towns
 24 determined under STEP ONE.

25 STEP THREE: Divide the population of each qualified city and
 26 town by the sum determined under STEP TWO.

27 STEP FOUR: Multiply the result determined under STEP THREE
 28 for each qualified city and town by the amount of the qualified
 29 municipality share.

30 (c) The county auditor shall distribute semiannually to each city and
 31 town described in subsection (a) the amount computed for that city or
 32 town under STEP FOUR of subsection (b).

33 (d) This section applies after ~~June 30, 2005~~: **June 30, 2016.**

