



February 17, 2016

ENGROSSED HOUSE BILL No. 1215

DIGEST OF HB 1215 (Updated February 16, 2016 11:50 am - DI 120)

Citations Affected: IC 5-28; noncode.

Synopsis: Various tax matters. Urges the legislative council to assign the study of the personal property audit process to the interim study committee on fiscal policy during the 2016 interim. Provides that an enterprise zone expires 11 years (rather than 10 years, under current law) after the day on which it is designated by the board of the Indiana economic development corporation.

Effective: Upon passage; July 1, 2016.

Cherry, Brown T, Thompson

(SENATE SPONSOR — CRIDER)

January 11, 2016, read first time and referred to Committee on Ways and Means.
January 25, 2016, amended, reported — Do Pass.
February 2, 2016, read second time, amended, ordered engrossed.
February 3, 2016, engrossed. Read third time, passed. Yeas 98, nays 0.

SENATE ACTION

February 8, 2016, read first time and referred to Committee on Tax & Fiscal Policy.
February 16, 2016, amended, reported favorably — Do Pass.

EH 1215—LS 7006/DI 113



February 17, 2016

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.

ENGROSSED HOUSE BILL No. 1215

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 5-28-15-10, AS AMENDED BY P.L.1-2010,
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 10. (a) Subject to subsection (b), an enterprise
4 zone expires ~~ten (10)~~ **eleven (11)** years after the day on which it is
5 designated by the board.

6 (b) In the period beginning December 1, 2008, and ending
7 December 31, 2014, an enterprise zone does not expire under this
8 section if the fiscal body of the municipality in which the enterprise
9 zone is located adopts a resolution renewing the enterprise zone for an
10 additional five (5) years. An enterprise zone may be renewed under this
11 subsection regardless of the number of times the enterprise zone has
12 been renewed under subsections (c) and (d). A municipal fiscal body
13 may adopt a renewal resolution and submit a copy of the resolution to
14 the board:

15 (1) before August 1, 2009, in the case of an enterprise zone that

EH 1215—LS 7006/DI 113



1 expired after November 30, 2008, or is scheduled to expire before
2 September 1, 2009; or

3 (2) at least thirty (30) days before the expiration date of the
4 enterprise zone, in the case of an enterprise zone scheduled to
5 expire after August 31, 2009.

6 If an enterprise zone is renewed under this subsection after having been
7 renewed under subsection (d), the enterprise zone may not be renewed
8 after the expiration of this final five (5) year period.

9 (c) The two (2) year period immediately before the day on which the
10 enterprise zone expires is the phaseout period. During the phaseout
11 period, the board may review the success of the enterprise zone based
12 on the following criteria and may, with the consent of the budget
13 committee, renew the enterprise zone, including all provisions of this
14 chapter, for five (5) years:

15 (1) Increases in capital investment in the zone.

16 (2) Retention of jobs and creation of jobs in the zone.

17 (3) Increases in employment opportunities for residents of the
18 zone.

19 (d) If an enterprise zone is renewed under subsection (c), the two (2)
20 year period immediately before the day on which the enterprise zone
21 expires is another phaseout period. During the phaseout period, the
22 board may review the success of the enterprise zone based on the
23 criteria set forth in subsection (c) and, with the consent of the budget
24 committee, may again renew the enterprise zone, including all
25 provisions of this chapter, for a final period of five (5) years. The zone
26 may not be renewed after the expiration of this final five (5) year
27 period.

28 **SECTION 2. [EFFECTIVE JULY 1, 2016] (a) The general**
29 **assembly urges the legislative council to assign the study of the**
30 **personal property audit process to the interim study committee on**
31 **fiscal policy during the 2016 legislative interim.**

32 **(b) This SECTION expires January 1, 2017.**

33 **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1215, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 4-4-37-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 1.3. As used in this chapter, "division" refers to the division of historic preservation and archeology of the department of natural resources established by IC 14-21-1.**

SECTION 2. IC 4-4-37-7, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) The office may award a grant to a person ~~in the year in which the person completes~~ **who submits plans for** the preservation or rehabilitation of historic property and obtains the certifications required under section 8 of this chapter.

(b) The maximum amount of a grant awarded under this section is equal to ~~twenty percent (20%)~~ **thirty-five percent (35%)** of the qualified expenditures, **not to exceed one hundred thousand dollars (\$100,000)**, that:

- (1) the person makes for the preservation or rehabilitation of historic property; and
- (2) are approved by the office.

SECTION 3. IC 4-4-37-8, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. The office may award a grant to a person if all the following conditions are met:

- (1) The historic property is:
 - (A) located in Indiana;
 - (B) at least fifty (50) years old; and
 - (C) owned by the person. **This requirement does not apply to a nonprofit organization facilitating a qualified affordable housing project.**
- (2) The office certifies that the historic property is listed in:
 - (A) the register of Indiana historic sites and historic structures;
 - or**
 - (B) **the National Register of Historic Places, either**



individually or as a contributing resource in a National Register District.

(3) The office certifies that the person submitted a proposed preservation or rehabilitation plan to the division that complies with the standards of the division.

~~(4) The office certifies that the preservation or rehabilitation work that is the subject of the grant substantially complies with the proposed plan referred to in subdivision (3).~~

~~(5) The preservation or rehabilitation work is completed in not more than:~~

~~(A) two (2) years; or~~

~~(B) five (5) years if the preservation or rehabilitation plan indicates that the preservation or rehabilitation is initially planned for completion in phases.~~

~~The time in which work must be completed begins when the physical work of construction or destruction in preparation for construction begins.~~

(4) The submitted plan referenced in section 7 of this chapter complies with the program guidelines established by the office.

~~(6) (5) The historic property is to be:~~

~~(A) actively used in a trade or business;~~

~~(B) held for the production of income; or~~

~~(C) held for the rental or other use in the ordinary course of the person's trade or business.~~

~~(7) (6) The qualified expenditures for preservation or rehabilitation of the historic property exceed ten thousand dollars (\$10,000).~~

SECTION 4. IC 6-1.1-12-26.2, AS ADDED BY P.L.117-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]; Sec. 26.2. (a) The following definitions apply throughout this section:

(1) "Barn" means a building (other than a dwelling) that was designed to be used for:

(A) housing animals;

(B) storing or processing crops;

(C) storing and maintaining agricultural equipment; or

(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

(2) "Heritage barn" **for an assessment date** means a barn that ~~on the assessment date has the following characteristics, as applicable:~~



- (A) **The barn** was constructed ~~before 1950~~; **at least fifty (50) years before the assessment date.**
 - (B) **The barn** retains sufficient integrity of design, materials, and construction to clearly identify the building as a barn.
 - (C) **The barn** is not being used for agricultural purposes in the operation of an agricultural enterprise. ~~and~~
 - (D) **This clause applies only to a barn that was constructed less than one hundred (100) years before the assessment date. The barn** is not being used for a business purpose.
- (3) "Eligible applicant" means:
- (A) an owner of a heritage barn; or
 - (B) a person that is purchasing property, including a heritage barn, under a contract that:
 - (i) gives the person a right to obtain title to the property upon fulfilling the terms of the contract;
 - (ii) does not permit the owner to terminate the contract as long as the person buying the property complies with the terms of the contract;
 - (iii) specifies that during the term of the contract the person must pay the property taxes on the property; and
 - (iv) has been recorded with the county recorder.
- (b) An eligible applicant is entitled to a deduction against the assessed value of the structure and foundation of a heritage barn beginning with assessments after 2014. The deduction is equal to one hundred percent (100%) of the assessed value of the structure and foundation of the heritage barn.
- (c) An eligible applicant that desires to obtain the deduction provided by this section must file a certified deduction application with the auditor of the county in which the heritage barn is located. The application may be filed in person or by mail. The application must contain the information and be in the form prescribed by the department of local government finance. If mailed, the mailing must be postmarked on or before the last day for filing.
- (d) Subject to subsection (e) and section 45 of this chapter, the application must be filed during the year preceding the year in which the deduction will first be applied. Upon verification of the application by the county assessor of the county in which the property is subject to assessment or by the township assessor of the township in which the property is subject to assessment (if there is a township assessor for the township), the auditor of the county shall allow the deduction.
- (e) The auditor of a county shall, in a particular year, apply the deduction provided under this section to the heritage barn of the owner



that received the deduction in the preceding year unless the auditor of the county determines that the property is no longer eligible for the deduction. A person that receives a deduction under this section in a particular year and that remains eligible for the deduction in the following year is not required to file an application for the deduction in the following year. A person that receives a deduction under this section in a particular year and that becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the property is located of the ineligibility in the year in which the person becomes ineligible. A deduction under this section terminates following a change in ownership of the heritage barn. However, a deduction under this section does not terminate following the removal of less than all the joint owners of property or purchasers of property under a contract described in subsection (a).

(f) A county fiscal body may adopt an ordinance to require a person receiving the deduction under this section to pay an annual public safety fee for each heritage barn for which the person receives a deduction under this section. The fee may not exceed fifty dollars (\$50). The county auditor shall distribute any public safety fees collected under this section equitably among the police and fire departments in whose territories each heritage barn is located. If a county fiscal body adopts an ordinance under this subsection, the county fiscal body shall furnish a copy of the ordinance to the department in the manner prescribed by the department.

SECTION 5. IC 33-36-3-6, AS AMENDED BY P.L.1-2010, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~(a)~~ An ordinance violation admitted under this article does not constitute a judgment for the purposes of IC 33-37. An ordinance violation costs fee may not be collected from the defendant under IC 33-37-4.

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

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

- (1) IC 33-37-4-1(a) (criminal costs fees).

EH 1215—LS 7006/DI 113



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

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

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

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

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

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

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

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

SECTION 7. [EFFECTIVE JULY 1, 2016] (a) The general assembly urges the legislative council to assign the study of the personal property audit process to the interim study committee on fiscal policy during the 2016 legislative interim.

(b) This SECTION expires January 1, 2017."

Delete pages 2 through 14.

Page 15, delete lines 1 through 41.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1215 as introduced.)

BROWN T

Committee Vote: yeas 22, nays 0.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1215 be amended to read as follows:

Page 3, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 4. IC 4-4-37-9, AS ADDED BY P.L.213-2015, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. The office may provide the certifications referred to in section 8(3) ~~and 8(4)~~ of this chapter if a person's proposed preservation or rehabilitation plan complies with the standards of the office and the person's preservation or rehabilitation work complies with the plan."

Re-number all SECTIONS consecutively.

(Reference is to HB 1215 as printed January 26, 2016.)

CLERE

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1215 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"(c) Each grant shall be made under a grant agreement by and between the office and the person receiving the grant. The grant agreement must include all of the following:

- (1) A timeline for completing the project, including milestones that the person commits to achieving by the time specified.**
- (2) The approved plans for the preservation or rehabilitation of the historic property.**
- (3) The estimated cost of the preservation or rehabilitation of the historic property and all sources of money for the project.**
- (4) The financing plan by the person proposing the project.**
- (5) The remedies available to the office if the grant is made and the project does not substantially comply with the proposed plan approved under this chapter.**
- (6) Any other terms or conditions the office considers appropriate."**

(Reference is to HB 1215 as printed January 26, 2016.)

RIECKEN



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1215, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 15, begin a new paragraph and insert:

"SECTION 1. IC 5-28-15-10, AS AMENDED BY P.L.1-2010, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Subject to subsection (b), an enterprise zone expires ~~ten (10)~~ **eleven (11)** years after the day on which it is designated by the board.

(b) In the period beginning December 1, 2008, and ending December 31, 2014, an enterprise zone does not expire under this section if the fiscal body of the municipality in which the enterprise zone is located adopts a resolution renewing the enterprise zone for an additional five (5) years. An enterprise zone may be renewed under this subsection regardless of the number of times the enterprise zone has been renewed under subsections (c) and (d). A municipal fiscal body may adopt a renewal resolution and submit a copy of the resolution to the board:

- (1) before August 1, 2009, in the case of an enterprise zone that expired after November 30, 2008, or is scheduled to expire before September 1, 2009; or
- (2) at least thirty (30) days before the expiration date of the enterprise zone, in the case of an enterprise zone scheduled to expire after August 31, 2009.

If an enterprise zone is renewed under this subsection after having been renewed under subsection (d), the enterprise zone may not be renewed after the expiration of this final five (5) year period.

(c) The two (2) year period immediately before the day on which the enterprise zone expires is the phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the following criteria and may, with the consent of the budget committee, renew the enterprise zone, including all provisions of this chapter, for five (5) years:

- (1) Increases in capital investment in the zone.
- (2) Retention of jobs and creation of jobs in the zone.
- (3) Increases in employment opportunities for residents of the zone.

(d) If an enterprise zone is renewed under subsection (c), the two (2) year period immediately before the day on which the enterprise zone



expires is another phaseout period. During the phaseout period, the board may review the success of the enterprise zone based on the criteria set forth in subsection (c) and, with the consent of the budget committee, may again renew the enterprise zone, including all provisions of this chapter, for a final period of five (5) years. The zone may not be renewed after the expiration of this final five (5) year period."

Delete pages 2 through 5.

Page 6, delete lines 1 through 18.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1215 as reprinted February 3, 2016.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

