



Reprinted
March 4, 2014

ENGROSSED HOUSE BILL No. 1380

DIGEST OF HB 1380 (Updated March 3, 2014 7:52 pm - DI 73)

Citations Affected: IC 4-10; IC 5-1; IC 6-1.1; IC 6-3; IC 6-3.1; IC 6-3.5; IC 6-8.1; IC 6-9; IC 8-22; IC 9-29; IC 36-6; noncode.

Synopsis: Various tax and administrative issues. Requires the Indiana motorsports commission to establish a motorsports facility fund if a motorsports investment district is established. Provides that during the term of the written agreement the commission shall each state fiscal year deposit in the motorsports facility fund at least \$2,000,000 solely from payments by the motorsports facility owners. Provides that money paid into the motorsports facility fund is to be credited to the motorsports facility owners and that the money in the fund reverts to the state general fund on June 30 of each year. Increases the appropriation amount to be requested by the commission from \$5,000,000 to \$7,000,000 for deposit in the motorsports investment district fund. Requires the department of state revenue to annually
(Continued next page)

Effective: May 15, 2013 (retroactive); January 1, 2014 (retroactive); upon passage; July 1, 2014; January 1, 2015.

Turner

(SENATE SPONSORS — HERSHMAN, HOLDMAN)

January 15, 2014, read first time and referred to Committee on Ways and Means.
January 28, 2014, amended, reported — Do Pass.
January 30, 2014, read second time, ordered engrossed. Engrossed.
February 3, 2014, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 10, 2014, read first time and referred to Committee on Appropriations.
February 27, 2014, amended, reported favorably — Do Pass.
March 3, 2014, read second time, amended, ordered engrossed.

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Digest Continued

notify entities of the incremental tax amounts and the reversion amount from the motorsports facility fund. Provides, for purposes of the property tax circuit breaker credit, that a commercial hotel, motel, inn, tourist camp, or tourist cabin is not residential property. Specifies that aviation manufacturing, aviation assembly, and aviation research and development facilities are aviation related property or facilities for purposes of the airport law. Requires the state board of finance to make a loan to a school corporation from the counter-cyclical revenue and economic stabilization fund, if the school corporation's petition for a loan from the fund was denied in October 2013 and a general fund referendum was not passed in 2014 by the voters in the school corporation. Provides that an entity is not considered to have Indiana income for purposes of the state income tax merely because of certain logistics activities concerning the distribution of legend drugs, medical devices, or medical supplies that are conducted in Indiana by a third-party logistics provider. Allows the industrial recovery tax credit to be allocated among the members of a pass through entity. Provides a credit against county economic development income taxes for taxes paid to local governments outside Indiana. Provides that all Indiana adjusted gross income tax return and financial institutions tax return due date extensions are treated the same as an extension granted because of a federal income tax due date extension. Specifies the amount that shall be collected by the department of state revenue for registrations of vehicles in a commercial fleet, if the department adopts rules to implement staggered registration. Allows the department of state revenue to deny or suspend certain oversize and overweight vehicle permits if the applicant or permit holder is delinquent in paying escort fees to the state police department. Requires county council review and approval of the Lake County convention and visitor bureau annual budget. Authorizes Beech Grove City schools to issue certain refunding bonds. Increases the maximum property tax levy for Washington Township in Hamilton County in 2015. Authorizes Green Township in Madison County to borrow a sufficient amount of money to pay the township's obligations under a contract for fire or emergency services in 2014. Extends the current Vanderburgh County innkeeper's tax revenue distributions through December 31, 2019.

EH 1380—LS 7116/DI 92



Reprinted
March 4, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1380

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 4-10-23-12, AS ADDED BY P.L.233-2013,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 MAY 15, 2013 (RETROACTIVE)]: Sec. 12. The department of state
4 revenue shall **annually** notify the Indiana finance authority, the
5 commission, the budget agency, and the owner or owners of a qualified
6 motorsports facility of **the sum of:**

7 (1) the amount determined under section 11 of this chapter; **and**
8 (2) **the amount reverted to the state general fund from the**
9 **qualified motorsports facility fund established under**
10 **IC 5-1-17.5-30.5;**

11 which **amount sum** shall be credited to the obligations of the owner or
12 owners of a qualified motorsports facility in accordance with the
13 provisions of IC 5-1-17.5.

14 SECTION 2. IC 5-1-5-2.5, AS AMENDED BY P.L.257-2013,
15 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "eligible

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- 1 school corporation" means **the following:**
- 2 (1) A school corporation (as defined in IC 36-1-2-17) that
- 3 satisfies all the conditions required by this section.
- 4 (2) **Beech Grove City Schools.**
- 5 (b) As used in this section, "increment" means the annual difference
- 6 between:
- 7 (1) the annual debt service payment for the bonds proposed to be
- 8 retired or refunded; and
- 9 (2) the annual debt service payment for the proposed refunding
- 10 bonds;
- 11 for each year that the bonds that are being retired or refunded would
- 12 have been outstanding.
- 13 (c) **Except as provided in subsection (k),** in order for a school
- 14 corporation to be an eligible school corporation under this section, the
- 15 school corporation must determine that the percentage computed under
- 16 this subsection for the school corporation is at least twenty percent
- 17 (20%), regarding the year for which the latest certified levies have been
- 18 determined. A school corporation shall compute its percentage as
- 19 follows:
- 20 (1) Compute the amount of credits granted under IC 6-1.1-20.6
- 21 against the school corporation's combined levy for the school
- 22 corporation's:
- 23 (A) debt service fund, as described in IC 20-46-7-15;
- 24 (B) capital projects fund;
- 25 (C) transportation fund;
- 26 (D) school bus replacement fund; and
- 27 (E) racial balance fund.
- 28 (2) Compute the school corporation's combined levy for the
- 29 school corporation's:
- 30 (A) capital projects fund;
- 31 (B) transportation fund;
- 32 (C) school bus replacement fund; and
- 33 (D) racial balance fund.
- 34 (3) Divide the amount computed under subdivision (1) by the
- 35 amount computed under subdivision (2) and express it as a
- 36 percentage.
- 37 A school corporation that desires to be an eligible school corporation
- 38 under this section must submit a written request for a certification by
- 39 the department of local government finance that the computation of the
- 40 school corporation's percentage computed under this subsection is
- 41 correct. The department of local government finance shall, not later
- 42 than ten (10) working days after the date the department receives the



1 school corporation's request, certify the percentage computed under
2 this subsection for the school corporation.

3 (d) **Except as provided in subsection (k)**, a school corporation that
4 desires to be an eligible school corporation under this section must
5 satisfy the following conditions:

6 (1) The school corporation shall conduct a public hearing and
7 provide notice of the time, date, and place of the hearing,
8 published as required by IC 5-3-1, before the school corporation
9 may adopt a resolution under this section. At the public hearing,
10 the governing body must provide the following information:

11 (A) The annual debt service payments, applicable debt service
12 tax rate, and total debt service payments for the bonds
13 proposed to be retired or refunded.

14 (B) The annual debt service payments, applicable debt service
15 fund tax rate, and total debt service payments for the proposed
16 refunding bonds.

17 (C) The annual increment for each year that the bonds that are
18 being retired or refunded would have been outstanding and
19 any other benefits to be derived from issuing the refunding
20 bonds.

21 (2) The requirements of this subdivision do not apply to a school
22 corporation that adopts a resolution under subsection (g) before
23 January 1, 2014, and that has a percentage computed under
24 subsection (c) that is at least twenty percent (20%), as certified by
25 the department of local government finance. If the amount
26 determined under subsection (c)(3) is:

27 (A) more than forty-five percent (45%), notwithstanding
28 IC 6-1.1-20-3.1(a) and IC 6-1.1-20-3.2(a), the school
29 corporation shall use the petition and remonstrance process
30 prescribed by IC 6-1.1-20-3.1(b) and IC 6-1.1-20-3.2(b) and
31 more individuals must sign the petition for the bond refunding
32 under this section than the number of individuals signing a
33 remonstrance against the bond refunding; or

34 (B) at least thirty percent (30%) but not more than forty-five
35 percent (45%), the school corporation shall conduct a
36 referendum on a public question regarding the bond refunding
37 using the process for a referendum tax levy under IC 20-46-1
38 and the bond refunding must be approved by the eligible
39 voters of the school corporation. The question to be submitted
40 to the voters in the referendum must read as follows:

41 "Shall _____ (insert the name of the school corporation)
42 issue refunding bonds to refund not more than fifty percent



- 1 (50%) of its outstanding bonds to provide an annual savings
 2 to the school's debt service fund that can be transferred from
 3 the school's debt service fund to the school's capital projects
 4 fund, transportation fund, or school bus replacement fund?".
- 5 (3) The requirements of this subdivision apply to a school
 6 corporation that adopts a resolution under subsection (g) before
 7 January 1, 2014, and that has a percentage computed under
 8 subsection (c) that is at least twenty percent (20%), as certified by
 9 the department of local government finance. The school
 10 corporation must either:
- 11 (A) have the distressed unit appeal board approve the school
 12 corporation's financial plan for paying any refunding bonds
 13 issued under this section, as provided in subsection (e); or
 14 (B) meet all of the following conditions:
- 15 (i) The ratio that the amount of the school corporation's debt
 16 (as determined in December 2010) bears to the school
 17 corporation's 2011 ADM ranks in the ten (10) highest
 18 among all school corporations.
- 19 (ii) The ratio that the amount of the school corporation's debt
 20 (as determined in December 2010) bears to the school
 21 corporation's total assessed valuation for calendar year 2011
 22 ranks in the ten (10) highest among all school corporations.
- 23 (iii) The amount of homestead assessed valuation in the
 24 school corporation for calendar year 2011 was at least sixty
 25 percent (60%) of the total amount of assessed valuation in
 26 the school corporation for calendar year 2011.
- 27 (e) A school corporation meets the requirement of subsection
 28 (d)(3)(A) if:
- 29 (1) the school corporation submits to the distressed unit appeal
 30 board the school corporation's financial plan for paying any
 31 refunding bonds issued under this section; and
 32 (2) the distressed unit appeal board approves the plan after
 33 making a determination that the financial plan is feasible.
- 34 The distressed unit appeal board must either approve or disapprove the
 35 financial plan not more than sixty (60) days after the later of the date
 36 the school corporation submits the financial plan under this subsection
 37 or the date on which the department of local government finance
 38 certifies the percentage computed for the school corporation under
 39 subsection (c). The distressed unit appeal board may not unreasonably
 40 deny approval of a school corporation's financial plan under this
 41 subsection.
- 42 (f) Except as provided in subsection (d)(2)(A), IC 6-1.1-20 does not



1 apply to bonds issued under this section.

2 (g) **Except as provided in subsection (k)**, a school corporation that
3 desires to be an eligible school corporation under this section must,
4 before January 1, 2014, and notwithstanding any other law, adopt a
5 resolution that sets forth the following:

6 (1) The determinations made under subsection (c), including the
7 department of local government finance's certification of the
8 percentage computed under subsection (c).

9 (2) The requirements of this subdivision do not apply to a
10 resolution adopted under this subsection before January 1, 2014,
11 if the school corporation has a percentage computed under
12 subsection (c) that is at least twenty percent (20%), as certified by
13 the department of local government finance. The result of the
14 petition remonstrance process under subsection (d)(2)(A) or the
15 result of the vote on the public question under subsection
16 (d)(2)(B), whichever applies.

17 (3) A determination providing for the:

18 (A) issuance of bonds to refund not more than fifty percent
19 (50%) of outstanding bonds or leases issued by or on behalf of
20 the school corporation; and

21 (B) payment of redemption premiums and the costs of the
22 refunding.

23 (4) With respect to the refunding bonds, the following:

24 (A) The maximum principal amount.

25 (B) The maximum interest rate.

26 (C) The annual lease or debt service payment.

27 (D) The final maturity date.

28 (E) The estimated amount of the increment that will occur for
29 each year that the bonds that are being retired or refunded by
30 the issuance of refunding bonds would have been outstanding.

31 (F) A finding that the annual debt service or lease payment on
32 the refunding bonds will not increase the annual debt service
33 or lease payment above the annual debt service or lease
34 payment approved by the school corporation for the original
35 project.

36 If the governing body adopts a resolution under this section, the
37 governing body must publish notice of the adoption of the resolution
38 as required by IC 5-3-1.

39 (h) An eligible school corporation may issue refunding bonds as
40 permitted by this section. In addition, an eligible school corporation
41 may extend the repayment period beyond the repayment period for the
42 bonds that are being retired or refunded by the issuance of refunding



1 bonds. However, the repayment period may be extended only once for
 2 a particular bond, and the extension may not exceed ten (10) years after
 3 the latest maturity date for any of the bonds being retired or refunded
 4 by the eligible school corporation under this section.

5 (i) Property taxes imposed by an eligible school corporation to pay
 6 debt service for bonds permitted by this section shall be considered for
 7 purposes of calculating the limits to property tax liability under Article
 8 10, Section 1 of the Constitution of the State of Indiana and for
 9 calculating a person's credit under IC 6-1.1-20.6-7.5. However,
 10 property taxes imposed by an eligible school corporation through
 11 December 31, 2019, to pay debt service for bonds permitted by this
 12 section may not be considered in an eligible county, as used in Article
 13 10, Section 1(h) of the Constitution of the State of Indiana, for purposes
 14 of calculating the limits to property tax liability under Article 10,
 15 Section 1 of the Constitution of the State of Indiana or for calculating
 16 a person's credit under IC 6-1.1-20.6-7.5.

17 (j) If a school corporation described in subsection (d)(3)(B) issues
 18 refunding bonds as permitted by this section, the school corporation
 19 must, not more than sixty (60) days after the department of local
 20 government finance certifies the school corporation's percentage under
 21 subsection (c), report information concerning the refunding to the
 22 distressed unit appeal board. The distressed unit appeal board shall
 23 make a non-binding review with recommendations regarding the
 24 school's financial condition and operating practices.

25 **(k) Beech Grove City Schools is considered an eligible school**
 26 **corporation for purposes of this section and may, without**
 27 **complying with any requirements of subsection (c), (d), (e), (g)(1),**
 28 **or (g)(2), issue refunding bonds as provided by this section.**

29 SECTION 3. IC 5-1-17.5-30, AS ADDED BY P.L.233-2013,
 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 MAY 15, 2013 (RETROACTIVE)]: Sec. 30. (a) If a motorsports
 32 investment district is established under this chapter, the commission
 33 shall establish a motorsports investment district fund for the
 34 motorsports investment district. The fund shall be administered by the
 35 commission. Except as provided in subsection (f), money in the fund
 36 does not revert to the state general fund at the end of a state fiscal year.

37 (b) The commission shall deposit amounts appropriated to the
 38 commission in the motorsports investment district fund as provided in
 39 this chapter.

40 (c) The commission shall request that the general assembly make an
 41 appropriation not to exceed ~~five seven~~ million dollars (~~\$5,000,000~~)
 42 **(\$7,000,000)** to the commission for deposit in the motorsports



1 investment district fund in each state fiscal year following the creation
 2 of the ~~motor sports~~ **motorsports** investment district fund, until the
 3 earlier of:

4 (1) the date that is twenty-two (22) years after the date on which
 5 appropriations are first deposited in the motorsports investment
 6 district fund; or

7 (2) the date on which all bonds issued by the authority under
 8 section 37 of this chapter are no longer deemed outstanding.

9 The commission may use money in the motorsports investment district
 10 fund for the purposes of this chapter.

11 (d) Amounts held in the motorsports investment district fund may
 12 be distributed to a trustee of any bonds that are issued or to be issued
 13 by the authority under section 37 of this chapter and that are secured by
 14 rent to be paid by the commission under a lease entered into with the
 15 authority under section 32 of this chapter.

16 (e) Money in the motorsports investment district fund may be used
 17 by the commission or a trustee for the following:

18 (1) Payment of the rent due under leases of structures or other
 19 capital improvements that are located within a motorsports
 20 investment district.

21 (2) Payment of all expenses incurred by the commission or the
 22 authority in connection with the exercise of its duties and
 23 obligations set forth in this chapter, including those incurred in
 24 connection with the establishment of the motorsports investment
 25 district.

26 (f) On the date that all bonds issued by the authority under section
 27 37 of this chapter are no longer deemed outstanding and all expenses
 28 incurred by the commission or the authority in connection with the
 29 exercise of its duties and obligations set forth in this chapter have been
 30 paid, all money then remaining on deposit in the motorsports
 31 investment district fund reverts to the state general fund.

32 SECTION 4. IC 5-1-17.5-30.5 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: **Sec. 30.5. (a) If a**
 35 **motorsports investment district is established under this chapter,**
 36 **the commission shall establish a motorsports facility fund for the**
 37 **motorsports investment district.**

38 **(b) During the term of the written agreement entered into by the**
 39 **owner or owners of the qualified motorsports facility, the**
 40 **authority, and the commission, the commission shall, in each state**
 41 **fiscal year, deposit in the motorsports facility fund at least two**
 42 **million dollars (\$2,000,000) solely from payments established**



1 **under section 37(f)(1) of this chapter.**

2 **(c) Money in the motorsports facility fund reverts to the state**
 3 **general fund on June 30 of each year.**

4 SECTION 5. IC 5-1-17.5-37, AS ADDED BY P.L.233-2013,
 5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 MAY 15, 2013 (RETROACTIVE)]: Sec. 37. (a) Subject to subsection
 7 (f), the authority may issue bonds for the purpose of obtaining money
 8 to pay the cost of improving, constructing, reconstructing, renovating,
 9 acquiring, or equipping improvements within a qualified motorsports
 10 facility.

11 (b) The terms and form of the bonds must be set out either in the
 12 resolution or in a form of trust indenture approved by the resolution.

13 (c) The bonds must mature within twenty (20) years.

14 (d) The authority shall sell the bonds at public or private sale upon
 15 the terms determined by the authority.

16 (e) All money received from any bonds issued under this chapter
 17 shall be applied to the payment of the cost of improving, constructing,
 18 reconstructing, renovating, acquiring, or equipping improvements
 19 within a qualified motorsports facility, or payment of the cost of
 20 refunding or refinancing outstanding bonds for which the bonds are
 21 issued. The cost may include:

22 (1) planning and development of the improvement and all
 23 buildings, facilities, structures, and improvements related to the
 24 improvement;

25 (2) acquisition of a site and clearing and preparing the site for
 26 construction;

27 (3) equipment, facilities, structures, and improvements that are
 28 necessary or desirable to make the capital improvement suitable
 29 for use and operations;

30 (4) architectural, engineering, consultant, and attorney's fees;

31 (5) incidental expenses in connection with the issuance and sale
 32 of bonds;

33 (6) reserves for principal and interest;

34 (7) interest during construction;

35 (8) financial advisory fees;

36 (9) insurance during construction;

37 (10) bond insurance, debt service reserve insurance, letters of
 38 credit, or other credit enhancement; and

39 (11) in the case of refunding or refinancing, payment of the
 40 principal of, redemption premiums (if any) for, and interest on the
 41 bonds being refunded or refinanced.

42 (f) The authority may not issue bonds under this chapter unless:



- 1 (1) the owner or owners of the qualified motorsports facility, the
 2 authority, and the commission have entered into a written
 3 agreement concerning the terms of the financing of the
 4 improvements financed under this chapter, including the
 5 obligation of the owner or owners of the qualified motorsports
 6 facility to make payments in an amount equal to at least two
 7 million dollars (\$2,000,000) in each state fiscal year to the
 8 commission for deposit in the motorsports **investment facility**
 9 fund during the term of the agreement;
- 10 (2) in connection with the issuance of such bonds, the authority
 11 has leased the equipment, structures, and capital improvements
 12 being financed with the proceeds of the bonds to the commission
 13 under a lease under section 32 of this chapter, and the
 14 commission has entered into a sublease of such equipment,
 15 structures, and capital improvements with the owner or owners of
 16 the qualified motorsports facility. Such a sublease must include
 17 the terms described in sections 34(c) and 36(c) of this chapter;
 18 and
- 19 (3) as part of the written agreement concerning the terms of the
 20 financing of the improvements, the ultimate parent company of
 21 the qualified motorsports facility:
- 22 (A) guarantees the full and timely performance of all of the
 23 duties, responsibilities, and obligations of the qualified
 24 motorsports facility and the owner or owners of the qualified
 25 motorsports facility; and
- 26 (B) guarantees that if:
- 27 (i) the aggregate amount credited to the owner or owners of
 28 the qualified motorsports facility under IC 4-10-23-12 from
 29 income tax incremental amounts, gross retail incremental
 30 amounts, and admissions fees deposited in the state general
 31 fund under IC 6-8-14 during the thirty (30) years after the
 32 date of the adoption of the resolution establishing the
 33 motorsports improvement district; **plus**
- 34 (ii) **the amounts deposited in the motorsports facility**
 35 **fund established under section 30.5 of this chapter;**
 36 is less than the aggregate of the amount of money appropriated to
 37 the commission and used to pay rent by the commission to the
 38 authority under any lease entered into between the authority and
 39 the commission under this chapter and any expenses that are
 40 incurred by the authority or the commission under this chapter
 41 and are not paid out of such rent, then the ultimate parent
 42 company will pay the difference to the commission.



1 (g) Each bond issued under this chapter must contain on its face a
 2 statement that neither the faith and credit nor the taxing power of the
 3 state is pledged to the payment of the principal of or the interest on the
 4 bond.

5 (h) In connection with the issuance of each series of bonds under
 6 this section, the authority (or its successor agency) and the public
 7 finance director shall be responsible for selecting all investment
 8 bankers, bond counsel, trustees, and financial advisors.

9 SECTION 6. IC 6-1.1-20.6-4, AS AMENDED BY P.L.288-2013,
 10 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2014 (RETROACTIVE)]: Sec. 4. As used in this
 12 chapter, "residential property" refers to real property that consists of
 13 any of the following:

14 (1) A single family dwelling that is not part of a homestead and
 15 the land, not exceeding one (1) acre, on which the dwelling is
 16 located.

17 (2) Real property that consists of:

18 (A) a building that includes two (2) or more dwelling units;

19 (B) any common areas shared by the dwelling units (including
 20 any land that is a common area, as described in section
 21 1.2(b)(2) of this chapter); and

22 (C) the land on which the building is located.

23 (3) Land rented or leased for the placement of a manufactured
 24 home or mobile home, including any common areas shared by the
 25 manufactured homes or mobile homes.

26 **The term does not include real property that consists of a**
 27 **commercial hotel, motel, inn, tourist camp, or tourist cabin.**

28 SECTION 7. IC 6-1.1-21.4-2, AS AMENDED BY P.L.145-2012,
 29 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 UPON PASSAGE]: Sec. 2. As used in this chapter, "eligible school
 31 corporation" refers to ~~either~~ **any** of the following:

32 (1) A school corporation located in a county in which
 33 distributions of property tax revenue for 2007 or 2008 to the
 34 taxing units (as defined in IC 6-1.1-1-21) of the county:

35 (A) have not been made; or

36 (B) were delayed by more than sixty (60) days after either due
 37 date specified in IC 6-1.1-22-9.

38 (2) A school corporation that is:

39 (A) designated by the distressed unit appeal board as a
 40 distressed political subdivision under IC 6-1.1-20.3; or

41 (B) approved for a loan by the distressed unit appeal board
 42 under IC 6-1.1-20.3-8.3.



1 **(3) A school corporation that had a loan from the**
 2 **counter-cyclical revenue and economic stabilization fund**
 3 **denied in October 2013. However, the school corporation is**
 4 **not an eligible school corporation if in 2014 the voters**
 5 **approve a referendum tax levy for the school corporation**
 6 **under IC 20-46-1.**

7 SECTION 8. IC 6-1.1-21.4-3, AS AMENDED BY P.L.145-2012,
 8 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 3. (a) An eligible school corporation may
 10 apply to the board for a loan from the counter-cyclical revenue and
 11 economic stabilization fund.

12 (b) Subject to subsections (c) and (d) and section 3.5 of this chapter,
 13 an eligible school corporation described in section 2(2) of this chapter
 14 may apply to the board for a loan. The maximum amount of a loan that
 15 the board may approve for the eligible school corporation is the lesser
 16 of the following:

17 (1) Five million dollars (\$5,000,000).

18 (2) The product of:

19 (A) one thousand dollars (\$1,000); multiplied by

20 (B) the school corporation's 2012 ADM.

21 (c) At the time the distressed unit appeal board designates a school
 22 corporation as a distressed political subdivision under IC 6-1.1-20.3 or
 23 recommends under IC 6-1.1-20.3-8.3 that a loan from the fund be
 24 approved for a school corporation, the distressed unit appeal board may
 25 also recommend to the state board of finance that a loan from the fund
 26 to the school corporation be contingent upon any of the following:

27 (1) The sale of specified unused property by the school board.

28 (2) The school corporation modifying one (1) or more specified
 29 contracts entered into by the school corporation.

30 (d) In making a loan from the fund to a school corporation, the state
 31 board of finance may make the loan contingent upon any condition
 32 recommended by the distressed unit appeal board under subsection (c).

33 **(e) This subsection applies only to an eligible school corporation**
 34 **described in section 2(3) of this chapter. The board shall make the**
 35 **loan to the eligible school corporation. The following apply to a**
 36 **loan made under this subsection:**

37 (1) The maximum amount of a loan set forth in subsection (b).

38 (2) Sections 3.5 through 7 of this chapter.

39 **In addition, an eligible school corporation receiving a loan under**
 40 **this subsection shall sell any unimproved land owned by the eligible**
 41 **school corporation that on April 1, 2014, is not contiguous to the**
 42 **grounds of any school.**



1 SECTION 9. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE
 2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 2.1. (a) This section**
 4 **applies only to taxable years beginning after December 31, 2013.**

5 **(b) The following definitions apply throughout this section:**

6 **(1) "Qualified logistics services" means the provision of the**
 7 **warehousing, management, distribution, transportation, or**
 8 **other services on behalf of an unrelated party with respect to,**
 9 **but without taking title to, the qualified property of the**
 10 **unrelated party.**

11 **(2) "Qualified property" means legend drugs (as defined in**
 12 **IC 16-18-2-199), devices (as defined in IC 16-18-2-94), or**
 13 **medical supplies.**

14 **(3) "Qualified third-party logistics provider" means an entity**
 15 **that:**

16 **(A) is licensed under IC 25-26-14; and**

17 **(B) provides qualified logistics services.**

18 **(4) "Unrelated party" means an entity that, with respect to a**
 19 **qualified third party logistics provider:**

20 **(A) is not a member of the same affiliated group within the**
 21 **meaning of IC 6-3-2-20(a)(1);**

22 **(B) is not related within the meaning of Section 267 of the**
 23 **Internal Revenue Code; and**

24 **(C) is not related within the meaning of Section 707(b) of**
 25 **the Internal Revenue Code.**

26 **(c) Notwithstanding any other provision of this article, with**
 27 **respect to an entity that has contracted with a qualified third-party**
 28 **logistics provider for qualified logistics services, the:**

29 **(1) ownership or leasing by that entity of tangible or**
 30 **intangible property located at the Indiana premises of the**
 31 **qualified third-party logistics provider;**

32 **(2) sale by that entity of qualified property shipped or**
 33 **distributed from the Indiana premises of the qualified**
 34 **third-party logistics provider;**

35 **(3) activities of any kind performed by or on behalf of that**
 36 **entity at the Indiana premises of the qualified third-party**
 37 **logistics provider; and**

38 **(4) activities performed by the qualified third-party logistics**
 39 **provider in Indiana for or on behalf of that entity;**

40 **shall not cause that entity to have adjusted gross income derived**
 41 **from sources within Indiana for purposes of the taxes imposed by**
 42 **this chapter, unless that entity engages in other activities in Indiana**



1 away from the premises of the qualified third-party logistics
2 provider that exceed the protection of 15 U.S.C. 381.

3 **(d) This section expires January 1, 2022.**

4 SECTION 10. IC 6-3.1-11-7.5 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 7.5. As
7 used in this chapter, "pass through entity" means:**

8 **(1) a corporation that is exempt from the adjusted gross
9 income tax under IC 6-3-2-2.8(2);**

10 **(2) a partnership;**

11 **(3) a limited liability company; or**

12 **(4) a limited liability partnership.**

13 SECTION 11. IC 6-3.1-11-24 IS ADDED TO THE INDIANA
14 CODE AS A NEW SECTION TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 24. (a) If
16 a pass through entity is entitled to a credit under section 16 of this
17 chapter but does not have state tax liability against which the tax
18 credit may be applied, an individual who is a shareholder, partner,
19 or member of the pass through entity is entitled to a tax credit
20 equal to:**

21 **(1) the tax credit determined for the pass through entity for
22 the taxable year; multiplied by**

23 **(2) the percentage of the pass through entity's distributive
24 income to which the shareholder, partner, or member is
25 entitled.**

26 **(b) The credit provided under subsection (a) is in addition to a
27 tax credit to which a shareholder, partner, or member of a pass
28 through entity is otherwise entitled under this chapter. However,
29 a pass through entity and an individual who is a shareholder,
30 partner, or member of the pass through entity may not claim more
31 than one (1) credit for the same investment.**

32 SECTION 12. IC 6-3.5-7-8.1 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2014]: **Sec. 8.1. (a) This section applies to a
35 taxable year beginning after December 31, 2014.**

36 **(b) Except as provided in subsection (c), if for a particular
37 taxable year a county taxpayer is liable for an income tax imposed
38 by a county, city, town, or other local governmental entity located
39 outside Indiana, that county taxpayer is entitled to a credit against
40 the county taxpayer's county economic development income tax
41 liability for that same taxable year. The amount of the credit
42 equals the amount of tax imposed by the other governmental entity**



1 on income derived from sources outside Indiana and subject to the
 2 county economic development income tax. However, the credit
 3 provided by this section may not reduce a county taxpayer's
 4 economic development income tax liability to an amount less than
 5 would have been owed if the income subject to taxation by the
 6 other governmental entity had been ignored.

7 (c) The credit provided by this section does not apply to a
 8 county taxpayer to the extent that the other governmental entity
 9 described in subsection (b) provides for a credit to the taxpayer for
 10 the amount of county economic development income taxes owed
 11 under this chapter.

12 (d) To claim the credit provided by this section, a county
 13 taxpayer must provide the department with satisfactory evidence
 14 that the county taxpayer is entitled to the credit.

15 SECTION 13. IC 6-8.1-4-4, AS AMENDED BY P.L.176-2006,
 16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2014]: Sec. 4. (a) The department shall establish a registration
 18 center to service owners of commercial motor vehicles.

19 (b) The registration center is under the supervision of the
 20 department through the motor carrier services division.

21 (c) An owner or operator of a commercial motor vehicle may apply
 22 to the registration center for the following:

- 23 (1) Vehicle registration (IC 9-18).
- 24 (2) Motor carrier fuel tax annual permit.
- 25 (3) Proportional use credit certificate (IC 6-6-4.1-4.7).
- 26 (4) Certificate of operating authority.
- 27 (5) Oversize vehicle permit (IC 9-20-3).
- 28 (6) Overweight vehicle permit (IC 9-20-4).
- 29 (7) Payment of the commercial vehicle excise tax imposed under
 30 IC 6-6-5.5.

31 (d) The commissioner may deny an application described in
 32 subsection (c) if the applicant fails to do any of the following with
 33 respect to a listed tax:

- 34 (1) File all tax returns or information reports.
- 35 (2) Pay all taxes, penalties, and interest.

36 (e) The commissioner may:

- 37 (1) deny an application for an oversize vehicle permit, an
 38 overweight vehicle permit, or a single oversize-overweight
 39 permit; or
- 40 (2) suspend any permit issued to a person;
 41 if the applicant or permit holder is delinquent in paying escort fees
 42 to the state police department.



1 ~~(e)~~ **(f)** The commissioner may suspend or revoke any registration,
 2 permit, certificate, or authority if the person to whom the registration,
 3 permit, certificate, or authority is issued fails to do any of the following
 4 with respect to a listed tax:

5 (1) File all tax returns or information reports.

6 (2) Pay all taxes, penalties, and interest.

7 ~~(f)~~ **(g)** Funding for the development and operation of the registration
 8 center shall be taken from the motor carrier regulation fund
 9 (IC 8-2.1-23-1).

10 ~~(g)~~ **(h)** The department shall recommend to the general assembly
 11 other functions that the registration center may perform.

12 SECTION 14. IC 6-8.1-6-1 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 1. (a) **This**
 14 **subsection does not apply to a person's Indiana adjusted gross**
 15 **income tax return or a person's financial institutions tax return.** If
 16 a person responsible for filing a tax return is unable to file the return by
 17 the appropriate due date, ~~he~~ **the person** may petition the department,
 18 before that due date, for a filing extension. ~~The person must include~~
 19 ~~with the petition a payment of at least ninety percent (90%) of the tax~~
 20 ~~that is reasonably expected to be due on the due date.~~ When the
 21 department receives the petition, ~~and the payment,~~ the department shall
 22 grant the person a sixty (60) day extension.

23 (b) If a person responsible for filing a tax return has received an
 24 extension of the due date and is still unable to file the return by the
 25 extended due date, ~~he~~ **the person** may petition the department for
 26 another extension. The person must include in the petition a statement
 27 of the reasons for ~~his~~ **the person's** inability to file the return by the due
 28 date. If the department finds that the person's petition is proper and that
 29 the person has good cause for requesting the extension, the department
 30 may extend the person's due date for any period that the department
 31 deems reasonable under the circumstances. The department may allow
 32 additional, successive extensions if the person properly petitions for the
 33 extension before the end of ~~his~~ **the person's** current extension period.

34 (c) **The following apply only to a person's Indiana adjusted**
 35 **gross income tax return or a person's financial institutions tax**
 36 **return:**

37 (1) If the Internal Revenue Service allows a person an extension
 38 on ~~his~~ **the person's** federal income tax return, the corresponding
 39 due dates for the person's Indiana income tax returns are
 40 automatically extended for the same period as the federal
 41 extension, plus thirty (30) days.

42 (2) **If a person petitions the department for a filing extension**



1 for the person's Indiana adjusted gross income tax return or
 2 financial institutions tax return without obtaining an
 3 extension for filing the person's federal income tax return, the
 4 department shall extend the person's due date for the person's
 5 Indiana adjusted gross income tax return or financial
 6 institutions tax return for the same period that the person
 7 would have been allowed under subdivision (1) if the person
 8 had been granted an extension by the Internal Revenue
 9 Service.

10 (d) A person submitting a petition for an extension under this
 11 section is not required to include any payment of tax with the
 12 petition. However, ~~the~~ a person obtaining an extension under this
 13 section must pay at least ninety percent (90%) of the Indiana income
 14 tax that is reasonably expected to be due on the original due date by
 15 that due date, or ~~he~~ the person may be subject to the penalties imposed
 16 for failure to pay the tax.

17 ~~(d)~~ (e) Any tax that remains unpaid during an extension period
 18 accrues interest at a rate established under IC 6-8.1-10-1 from the
 19 original due date, but that tax will not accrue any late payment
 20 penalties until the extension period has ended. **Any penalties must be**
 21 **determined based on the amount of tax not paid on or before the**
 22 **end of the extension period after application of payments provided**
 23 **under IC 6-8.1-8-1.5 and determined as of the deadline of the**
 24 **extension period.**

25 SECTION 15. IC 6-9-2-4, AS AMENDED BY P.L.172-2011,
 26 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2014]: Sec. 4. (a) The bureau may:

- 28 (1) accept and use gifts, grants, and contributions from any public
 29 or private source, under terms and conditions that the bureau
 30 considers necessary and desirable;
 31 (2) sue and be sued;
 32 (3) enter into contracts and agreements;
 33 (4) make rules necessary for the conduct of its business and the
 34 accomplishment of its purposes;
 35 (5) receive and approve, alter, or reject requests and proposals for
 36 funding by corporations qualified under subdivision (6);
 37 (6) after its approval of a proposal, transfer money from any fund
 38 established by the bureau, the promotion fund, or the alternate
 39 revenue fund to any Indiana nonprofit corporation to promote and
 40 encourage conventions, trade shows, visitors, or special events in
 41 the county;
 42 (7) require financial or other reports from any corporation that



1 receives funds under this chapter;

2 (8) enter into leases under IC 36-1-10 for the construction,
3 acquisition, and equipping of a visitor center; and

4 (9) exercise the power of eminent domain to acquire property to
5 promote and encourage conventions, trade shows, special events,
6 recreation, and visitors within the county.

7 (b) All expenses of the bureau shall be paid from funds established
8 by the bureau. Before December 20 of each year, the bureau shall
9 prepare a budget for expenditures during the following year, taking into
10 consideration the recommendations made by a corporation qualified
11 under subsection (a)(6) **and submit the budget to the county council**
12 **for its review and approval. An expenditure may not be made**
13 **under this chapter unless it is in accordance with an appropriation**
14 **made by the county council in the manner provided by law.** A
15 budget prepared **by the bureau and approved by the county council**
16 under this section must be submitted to the department of local
17 government finance and placed on file with the county auditor.

18 (c) All money in the bureau's funds shall be deposited, held,
19 secured, invested, and paid in accordance with statutes relating to the
20 handling of public funds. The handling and expenditure of money in
21 the bureau's funds are subject to audit and supervision by the state
22 board of accounts.

23 SECTION 16. IC 6-9-2-4.3, AS AMENDED BY P.L.172-2011,
24 SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2014]: Sec. 4.3. (a) The Lake County convention and visitor
26 bureau shall establish a convention, tourism, and visitor promotion
27 alternate revenue fund (referred to in this chapter as the "alternate
28 revenue fund"). The bureau may deposit in the alternate revenue fund
29 all money received by the bureau after June 30, 2005, that is not
30 required to be deposited in the promotion fund under section 2 of this
31 chapter or a fund established by the bureau, including appropriations,
32 gifts, grants, membership dues, and contributions from any public or
33 private source.

34 (b) The bureau may ~~without appropriation by the county council,~~
35 expend money from the alternate revenue fund to promote and
36 encourage conventions, trade shows, visitors, special events, sporting
37 events, and exhibitions in the county. Money may be paid from the
38 alternate revenue fund by claim in the same manner as municipalities
39 may pay claims under IC 5-11-10-1.6.

40 (c) All money in the alternate revenue fund shall be deposited, held,
41 secured, invested, and paid in accordance with statutes relating to the
42 handling of public funds. The handling and expenditure of money in



1 the alternate revenue fund is subject to audit and supervision by the
2 state board of accounts.

3 (d) Money derived from the taxes imposed under IC 4-33-12 and
4 IC 4-33-13 may not be transferred to the alternate revenue fund.

5 SECTION 17. IC 6-9-2.5-7.5, AS AMENDED BY P.L.176-2009,
6 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2014]: Sec. 7.5. (a) The county treasurer shall establish a
8 tourism capital improvement fund.

9 (b) The county treasurer shall deposit money in the tourism capital
10 improvement fund as follows:

11 (1) Before January 1, ~~2015~~, **2020**, the county treasurer shall
12 deposit in the tourism capital improvement fund the amount of
13 money received under section 6 of this chapter that is generated
14 by a three and one-half percent (3.5%) rate.

15 (2) After December 31, ~~2014~~, **2019**, the county treasurer shall
16 deposit in the tourism capital improvement fund the amount of
17 money received under section 6 of this chapter that is generated
18 by a four and one-half percent (4.5%) rate.

19 (c) The commission may transfer money in the tourism capital
20 improvement fund to:

21 (1) the county government, a city government, or a separate body
22 corporate and politic in a county described in section 1 of this
23 chapter; or

24 (2) any Indiana nonprofit corporation;

25 for the purpose of making capital improvements in the county that
26 promote conventions, tourism, or recreation. The commission may
27 transfer money under this section only after approving the transfer.
28 Transfers shall be made quarterly or less frequently under this section.

29 SECTION 18. IC 6-9-2.5-7.7, AS AMENDED BY P.L.176-2009,
30 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2014]: Sec. 7.7. (a) The county treasurer shall establish a
32 convention center operating fund.

33 (b) Before January 1, ~~2015~~, **2020**, the county treasurer shall deposit
34 in the convention center operating fund the amount of money received
35 under section 6 of this chapter that is generated by a two percent (2%)
36 rate. Money in the fund must be expended for the operating expenses
37 of a convention center.

38 (c) After December 31, ~~2014~~, **2019**, the county treasurer shall
39 deposit in the convention center operating fund the amount of money
40 received under section 6 of this chapter that is generated by a one
41 percent (1%) rate. Money in the fund must be expended for the
42 operating expenses of a convention center with the unused balance



1 transferred on January 1 of each year to the tourism capital
2 improvement fund.

3 SECTION 19. IC 8-22-1-4.5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.5. (a) "Aviation
5 related property or facilities" means those properties or facilities that
6 are utilized by a lessee, or a lessee's assigns, who provides services or
7 accommodations:

8 (1) for scheduled or unscheduled air carriers and air taxis, and
9 their passengers, air cargo operations, and related ground
10 transportation facilities;

11 (2) for fixed based operations;

12 (3) for general aviation or military users; and

13 (4) as aviation **manufacturing, assembly, research and**
14 **development, or** maintenance and repair facilities.

15 (b) The term includes any property leased to the United States, or its
16 agencies or instrumentalities, and any leased property identified as
17 clear zones, ~~aviation~~ **aviation** easements, safety and transition areas,
18 as defined by the Federal Aviation Administration.

19 SECTION 20. IC 9-29-5-42, AS AMENDED BY P.L.107-2008,
20 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2015]: Sec. 42. (a) Except as provided in subsection ~~(c)~~,
22 **(d)**, vehicles not subject to IC 9-18-2-8 or IC 9-18-2-8.5 shall be
23 registered at one-half (1/2) of the regular rate, subject to IC 9-18-2-7,
24 if the vehicle is registered after July 31 of any year. This subsection
25 does not apply to the following:

26 (1) Special machinery.

27 (2) Semitrailers registered on a five (5) year or permanent basis
28 under IC 9-18-10-2.

29 (3) An implement of agriculture designed to be operated primarily
30 on a highway.

31 (b) Except as provided in subsection ~~(c)~~, **(d)**, subsection (a), and
32 IC 9-18-2-7 determine the registration fee for the registration of a
33 vehicle subject to registration under IC 9-18-2-8(c) and acquired by an
34 owner subsequent to the date required for the annual registration of
35 vehicles by an owner set forth in IC 9-18-2-8.

36 **(c) Except as provided in subsections (d) and (e), if the**
37 **department of state revenue adopts rules under IC 9-18-2-7 to**
38 **implement staggered registration, the department of state revenue**
39 **shall collect the full annual fee for vehicles in a commercial fleet**
40 **registering with the department of state revenue, regardless of the**
41 **date the vehicle is registered. Any vehicles registered with the**
42 **department of state revenue under this subsection after the date**



1 **designated for registration shall be registered at a rate determined**
 2 **in STEP THREE of subsection (e).**

3 ~~(e)~~ **(d)** Subject to subsection ~~(d)~~, **(e)**, a vehicle subject to the
 4 International Registration Plan that is registered after September 30
 5 shall be registered at a rate determined by the following formula:

6 STEP ONE: Determine the number of months before April 1 of
 7 the following year beginning with the date of registration. A
 8 partial month shall be rounded to one (1) month.

9 STEP TWO: Multiply the STEP ONE result by one-twelfth
 10 (1/12).

11 STEP THREE: Multiply the annual registration fee for the vehicle
 12 by the STEP TWO result.

13 ~~(d)~~ **(e)** If the department of state revenue adopts rules under
 14 IC 9-18-2-7 to implement staggered registration for motor vehicles
 15 subject to the International Registration Plan, a motor vehicle subject
 16 to the International Registration Plan that is registered after the date
 17 designated for registration of the motor vehicle in rules adopted under
 18 IC 9-18-2-7 shall be registered at a rate determined by the following
 19 formula:

20 STEP ONE: Determine the number of months before the motor
 21 vehicle must be re-registered. A partial month shall be rounded to
 22 one (1) month.

23 STEP TWO: Multiply the STEP ONE result by one-twelfth
 24 (1/12).

25 STEP THREE: Multiply the annual registration fee for the vehicle
 26 by the STEP TWO result.

27 ~~(e)~~ **(f)** A school bus subject to registration under IC 9-18-2-8.5 that
 28 is registered after January 31 for the prior calendar year shall be
 29 registered at one-half (1/2) the regular rate.

30 SECTION 21. IC 36-6-6-16 IS ADDED TO THE INDIANA CODE
 31 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 32 **UPON PASSAGE]: Sec. 16. (a) This section applies only to Green**
 33 **Township in Madison County.**

34 **(b) Notwithstanding any other law, the legislative body may**
 35 **issue a special order, entered and signed on the record, authorizing**
 36 **the executive of the township to borrow a sufficient amount of**
 37 **money to pay the township's obligations under a contract for fire**
 38 **or emergency services in 2014.**

39 **(c) This section expires January 1, 2017.**

40 SECTION 22. [EFFECTIVE JULY 1, 2014]: **(a) This SECTION**
 41 **applies only to Washington Township in Hamilton County.**

42 **(b) The department of local government finance shall increase**



1 the 2015 maximum permissible ad valorem property tax levy under
2 IC 6-1.1-18.5 for Washington Township in Hamilton County by the
3 lesser of the following amounts:

4 (1) The amount determined by recalculating the 2015
5 maximum permissible ad valorem property tax levy under
6 IC 6-1.1-18.5 for Washington Township in Hamilton County
7 by using the 2007 maximum permissible ad valorem property
8 tax levy for the township and then increasing the 2007
9 maximum permissible ad valorem property tax levy by
10 applying the cumulative effect of using the assessed value
11 growth quotient applicable to the township for each year
12 during the period 2008 through 2015.

13 (2) Eighty-five thousand dollars (\$85,000).

14 (c) The 2015 maximum permissible ad valorem property tax
15 levy for Washington Township in Hamilton County, as increased
16 under this SECTION, shall also be used as the township's previous
17 year maximum permissible ad valorem property tax levy for the
18 determination under IC 6-1.1-18.5 of the township's 2016
19 maximum permissible ad valorem property tax levy.

20 (d) This SECTION expires January 1, 2017.

21 SECTION 23. [EFFECTIVE JANUARY 1, 2014
22 (RETROACTIVE)] (a) IC 6-3.1-11-7.5 and IC 6-3.1-11-24, both as
23 added by this act, apply to taxable years beginning after December
24 31, 2013.

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

26 SECTION 24. [EFFECTIVE JULY 1, 2014] (a) IC 8-22-1-4.5, as
27 amended by this act, applies to property taxes imposed for an
28 assessment date after December 31, 2014.

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

30 SECTION 25. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1380, 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:

Page 5, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 4. IC 6-1.1-20.3-6.5, AS AMENDED BY P.L.257-2013, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. (a) After the board receives a petition concerning a political subdivision under section 6(a) or 6(b)(2) of this chapter, the board may designate the political subdivision as a distressed political subdivision if at least one (1) of the following conditions applies to the political subdivision:

- (1) The political subdivision has defaulted in payment of principal or interest on any of its bonds or notes.
- (2) The political subdivision has failed to make required payments to payroll employees for thirty (30) days or two (2) consecutive payrolls.
- (3) The political subdivision has failed to make required payments to judgment creditors for sixty (60) days beyond the date of the recording of the judgment.
- (4) The political subdivision, for at least thirty (30) days beyond the due date, has failed to do any of the following:
 - (A) Forward taxes withheld on the incomes of employees.
 - (B) Transfer employer or employee contributions due under the Federal Insurance Contributions Act (FICA).
 - (C) Deposit the political subdivision's minimum obligation payment to a pension fund.
- (5) The political subdivision has accumulated a deficit equal to eight percent (8%) or more of the political subdivision's revenues. For purposes of this subdivision, "deficit" means a negative fund balance calculated as a percentage of revenues at the end of a budget year for any governmental or proprietary fund. The calculation must be presented on an accrual basis according to generally accepted accounting principles.
- (6) The political subdivision has sought to negotiate a resolution or an adjustment of claims that in the aggregate:
 - (A) exceed thirty percent (30%) of the political subdivision's anticipated annual revenues; and
 - (B) are ninety (90) days or more past due.
- (7) The political subdivision has carried over interfund loans for



the benefit of the same fund at the end of two (2) successive years.

(8) The political subdivision has been severely affected, as determined by the board, as a result of granting the property tax credits under IC 6-1.1-20.6.

(9) In addition to the conditions listed in subdivisions (1) through (8), and in the case of a school corporation, the board may also designate a school corporation as a distressed political subdivision if at least one (1) of the following conditions applies:

(A) The school corporation has:

- (i) issued refunding bonds under IC 5-1-5-2.5; or
- (ii) adopted a resolution under IC 5-1-5-2.5 making the determinations and including the information specified in IC 5-1-5-2.5(g).

(B) The ratio that the amount of the school corporation's debt (as determined in December 2010) bears to the school corporation's 2011 ADM ranks in the highest ten (10) among all school corporations.

(C) The ratio that the amount of the school corporation's debt (as determined in December 2010) bears to the school corporation's total assessed valuation for calendar year 2011 ranks in the highest ten (10) among all school corporations.

(D) The amount of homestead assessed valuation in the school corporation for calendar year 2011 was at least sixty percent (60%) of the total amount of assessed valuation in the school corporation for calendar year 2011.

(10) In addition to the conditions listed in subdivisions (1) through (9), and in the case of a school corporation, the board shall also designate a school corporation as a distressed political subdivision if the school corporation's petition for a loan from the counter-cyclical revenue and economic stabilization fund was denied in October 2013.

The board may consider whether a political subdivision has fully exercised all the local options available to the political subdivision, such as a local option income tax or a local option income tax rate increase or, in the case of a school corporation, an operating referendum.

(b) If the board designates a political subdivision as distressed under subsection (a), the board shall review the designation annually to determine if the distressed political subdivision meets at least one (1) of the conditions listed in subsection (a).

(c) If the board designates a political subdivision as a distressed



political subdivision under subsection (a), the board shall immediately notify:

- (1) the treasurer of state; and
- (2) the county auditor and county treasurer of each county in which the distressed political subdivision is wholly or partially located;

that the board has designated the political subdivision as a distressed political subdivision."

Page 5, line 17, delete "described in section 6.5(a)(9)" and insert **"designated as a distressed political subdivision under section 6.5(a)(10)"**.

Page 13, line 38, after "manufacturing," insert **"assembly,"**.

Page 15, line 19, delete "July" and insert **"November"**.

Page 15, line 39, delete "July" and insert **"November"**.

Page 16, between lines 11 and 12, begin a new paragraph and insert: **"SECTION 26. [EFFECTIVE JULY 1, 2014] (a) The legislative council is urged to assign the following topics for study during the 2014 legislative interim:**

- (1) Whether the proceeds of the sale of a major county asset should be held in a nonreverting trust fund of the county such that the principal of the fund is never diminished.**
- (2) The issue of how to define the term "major county asset".**
- (3) Permissible uses of the interest of a trust fund described in subdivision (1).**

(b) This SECTION expires December 31, 2014."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1380 as introduced.)

BROWN T, Chair

Committee Vote: yeas 14, nays 0.



COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1380, 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 16.

Delete pages 2 through 6.

Page 7, delete lines 1 through 19, begin a new paragraph and insert:

"SECTION 1. IC 4-10-23-12, AS ADDED BY P.L.233-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 12. The department of state revenue shall **annually** notify the Indiana finance authority, the commission, the budget agency, and the owner or owners of a qualified motorsports facility of **the sum of:**

- (1) the amount determined under section 11 of this chapter; **and**
- (2) **the amount reverted to the state general fund from the qualified motorsports facility fund established under IC 5-1-17.5-30.5;**

which **amount sum** shall be credited to the obligations of the owner or owners of a qualified motorsports facility in accordance with the provisions of IC 5-1-17.5.

SECTION 2. IC 5-1-17.5-30, AS ADDED BY P.L.233-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 30. (a) If a motorsports investment district is established under this chapter, the commission shall establish a motorsports investment district fund for the motorsports investment district. The fund shall be administered by the commission. Except as provided in subsection (f), money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) The commission shall deposit amounts appropriated to the commission in the motorsports investment district fund as provided in this chapter.

(c) The commission shall request that the general assembly make an appropriation not to exceed **five seven** million dollars (~~\$5,000,000~~) (**\$7,000,000**) to the commission for deposit in the motorsports investment district fund in each state fiscal year following the creation of the ~~motor sports~~ **motorsports** investment district fund, until the earlier of:

- (1) the date that is twenty-two (22) years after the date on which appropriations are first deposited in the motorsports investment district fund; or



(2) the date on which all bonds issued by the authority under section 37 of this chapter are no longer deemed outstanding.

The commission may use money in the motorsports investment district fund for the purposes of this chapter.

(d) Amounts held in the motorsports investment district fund may be distributed to a trustee of any bonds that are issued or to be issued by the authority under section 37 of this chapter and that are secured by rent to be paid by the commission under a lease entered into with the authority under section 32 of this chapter.

(e) Money in the motorsports investment district fund may be used by the commission or a trustee for the following:

(1) Payment of the rent due under leases of structures or other capital improvements that are located within a motorsports investment district.

(2) Payment of all expenses incurred by the commission or the authority in connection with the exercise of its duties and obligations set forth in this chapter, including those incurred in connection with the establishment of the motorsports investment district.

(f) On the date that all bonds issued by the authority under section 37 of this chapter are no longer deemed outstanding and all expenses incurred by the commission or the authority in connection with the exercise of its duties and obligations set forth in this chapter have been paid, all money then remaining on deposit in the motorsports investment district fund reverts to the state general fund.

SECTION 3. IC 5-1-17.5-30.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 30.5. (a) If a motorsports investment district is established under this chapter, the commission shall establish a motorsports facility fund for the motorsports investment district.**

(b) During the term of the written agreement entered into by the owner or owners of the qualified motorsports facility, the authority, and the commission, the commission shall, in each state fiscal year, deposit in the motorsports facility fund at least two million dollars (\$2,000,000) solely from payments established under section 37(f)(1) of this chapter.

(c) Money in the motorsports facility fund reverts to the state general fund on June 30 of each year.

SECTION 4. IC 5-1-17.5-37, AS ADDED BY P.L.233-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 15, 2013 (RETROACTIVE)]: Sec. 37. (a) Subject to subsection



(f), the authority may issue bonds for the purpose of obtaining money to pay the cost of improving, constructing, reconstructing, renovating, acquiring, or equipping improvements within a qualified motorsports facility.

(b) The terms and form of the bonds must be set out either in the resolution or in a form of trust indenture approved by the resolution.

(c) The bonds must mature within twenty (20) years.

(d) The authority shall sell the bonds at public or private sale upon the terms determined by the authority.

(e) All money received from any bonds issued under this chapter shall be applied to the payment of the cost of improving, constructing, reconstructing, renovating, acquiring, or equipping improvements within a qualified motorsports facility, or payment of the cost of refunding or refinancing outstanding bonds for which the bonds are issued. The cost may include:

(1) planning and development of the improvement and all buildings, facilities, structures, and improvements related to the improvement;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the capital improvement suitable for use and operations;

(4) architectural, engineering, consultant, and attorney's fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction;

(8) financial advisory fees;

(9) insurance during construction;

(10) bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

(f) The authority may not issue bonds under this chapter unless:

(1) the owner or owners of the qualified motorsports facility, the authority, and the commission have entered into a written agreement concerning the terms of the financing of the improvements financed under this chapter, including the obligation of the owner or owners of the qualified motorsports facility to make payments in an amount equal to at least two



million dollars (\$2,000,000) in each state fiscal year to the commission for deposit in the motorsports ~~investment~~ **facility** fund during the term of the agreement;

(2) in connection with the issuance of such bonds, the authority has leased the equipment, structures, and capital improvements being financed with the proceeds of the bonds to the commission under a lease under section 32 of this chapter, and the commission has entered into a sublease of such equipment, structures, and capital improvements with the owner or owners of the qualified motorsports facility. Such a sublease must include the terms described in sections 34(c) and 36(c) of this chapter; and

(3) as part of the written agreement concerning the terms of the financing of the improvements, the ultimate parent company of the qualified motorsports facility:

(A) guarantees the full and timely performance of all of the duties, responsibilities, and obligations of the qualified motorsports facility and the owner or owners of the qualified motorsports facility; and

(B) guarantees that if:

(i) the aggregate amount credited to the owner or owners of the qualified motorsports facility under IC 4-10-23-12 from income tax incremental amounts, gross retail incremental amounts, and admissions fees deposited in the state general fund under IC 6-8-14 during the thirty (30) years after the date of the adoption of the resolution establishing the motorsports improvement district; **plus**

(ii) **the amounts deposited in the motorsports facility fund established under section 30.5 of this chapter;**

is less than the aggregate of the amount of money appropriated to the commission and used to pay rent by the commission to the authority under any lease entered into between the authority and the commission under this chapter and any expenses that are incurred by the authority or the commission under this chapter and are not paid out of such rent, then the ultimate parent company will pay the difference to the commission.

(g) Each bond issued under this chapter must contain on its face a statement that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the bond.

(h) In connection with the issuance of each series of bonds under this section, the authority (or its successor agency) and the public



finance director shall be responsible for selecting all investment bankers, bond counsel, trustees, and financial advisors."

Page 8, line 12, delete "approved for a loan by the distressed" and insert **"that had a loan from the counter-cyclical revenue and economic stabilization fund denied in October 2013. However, the school corporation is not an eligible school corporation if in 2014 the voters approve a referendum tax levy for the school corporation under IC 20-46-1."**

Page 8, delete line 13.

Page 8, delete lines 41 through 42.

Page 9, delete line 1.

Page 9, line 2, delete "corporation." and insert **"described in section 2(3) of this chapter. The board shall make the loan to the eligible school corporation."**

Page 10, delete lines 33 through 42.

Page 11, delete lines 1 through 4.

Page 11, delete lines 33 through 38.

Page 14, line 20, strike "Indiana income".

Page 14, between lines 31 and 32, begin a new paragraph and insert:
"SECTION 20. IC 6-9-2-4, AS AMENDED BY P.L.172-2011, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The bureau may:

- (1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions that the bureau considers necessary and desirable;
- (2) sue and be sued;
- (3) enter into contracts and agreements;
- (4) make rules necessary for the conduct of its business and the accomplishment of its purposes;
- (5) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (6);
- (6) after its approval of a proposal, transfer money from any fund established by the bureau, the promotion fund, or the alternate revenue fund to any Indiana nonprofit corporation to promote and encourage conventions, trade shows, visitors, or special events in the county;
- (7) require financial or other reports from any corporation that receives funds under this chapter;
- (8) enter into leases under IC 36-1-10 for the construction, acquisition, and equipping of a visitor center; and
- (9) exercise the power of eminent domain to acquire property to promote and encourage conventions, trade shows, special events,



recreation, and visitors within the county.

(b) All expenses of the bureau shall be paid from funds established by the bureau. Before December 20 of each year, the bureau shall prepare a budget for expenditures during the following year, taking into consideration the recommendations made by a corporation qualified under subsection (a)(6) **and submit the budget to the county council for its review and approval. An expenditure may not be made under this chapter unless it is in accordance with an appropriation made by the county council in the manner provided by law.** A budget prepared by the bureau and approved by the county council under this section must be submitted to the department of local government finance and placed on file with the county auditor.

(c) All money in the bureau's funds shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the bureau's funds are subject to audit and supervision by the state board of accounts.

SECTION 21. IC 6-9-2-4.3, AS AMENDED BY P.L.172-2011, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4.3. (a) The Lake County convention and visitor bureau shall establish a convention, tourism, and visitor promotion alternate revenue fund (referred to in this chapter as the "alternate revenue fund"). The bureau may deposit in the alternate revenue fund all money received by the bureau after June 30, 2005, that is not required to be deposited in the promotion fund under section 2 of this chapter or a fund established by the bureau, including appropriations, gifts, grants, membership dues, and contributions from any public or private source.

(b) The bureau may ~~without appropriation by the county council,~~ expend money from the alternate revenue fund to promote and encourage conventions, trade shows, visitors, special events, sporting events, and exhibitions in the county. Money may be paid from the alternate revenue fund by claim in the same manner as municipalities may pay claims under IC 5-11-10-1.6.

(c) All money in the alternate revenue fund shall be deposited, held, secured, invested, and paid in accordance with statutes relating to the handling of public funds. The handling and expenditure of money in the alternate revenue fund is subject to audit and supervision by the state board of accounts.

(d) Money derived from the taxes imposed under IC 4-33-12 and IC 4-33-13 may not be transferred to the alternate revenue fund."

Page 16, delete lines 4 through 42.



Delete page 17.

Page 18, delete lines 1 through 4, begin a new paragraph and insert:

"SECTION 25. IC 9-29-5-42, AS AMENDED BY P.L.107-2008, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2015]: Sec. 42. (a) Except as provided in subsection ~~(c)~~; **(d)**, vehicles not subject to IC 9-18-2-8 or IC 9-18-2-8.5 shall be registered at one-half (1/2) of the regular rate, subject to IC 9-18-2-7, if the vehicle is registered after July 31 of any year. This subsection does not apply to the following:

- (1) Special machinery.
- (2) Semitrailers registered on a five (5) year or permanent basis under IC 9-18-10-2.
- (3) An implement of agriculture designed to be operated primarily on a highway.

(b) Except as provided in subsection ~~(c)~~; **(d)**, subsection (a), and IC 9-18-2-7 determine the registration fee for the registration of a vehicle subject to registration under IC 9-18-2-8(c) and acquired by an owner subsequent to the date required for the annual registration of vehicles by an owner set forth in IC 9-18-2-8.

(c) Except as provided in subsections (d) and (e), if the department of state revenue adopts rules under IC 9-18-2-7 to implement staggered registration, the department of state revenue shall collect the full annual fee for vehicles in a commercial fleet registering with the department of state revenue, regardless of the date the vehicle is registered. Any vehicles registered with the department of state revenue under this subsection after the date designated for registration shall be registered at a rate determined in STEP THREE of subsection (e).

~~(c)~~ **(d)** Subject to subsection ~~(d)~~; **(e)**, a vehicle subject to the International Registration Plan that is registered after September 30 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before April 1 of the following year beginning with the date of registration. A partial month shall be rounded to one (1) month.

STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

~~(d)~~ **(e)** If the department of state revenue adopts rules under IC 9-18-2-7 to implement staggered registration for motor vehicles subject to the International Registration Plan, a motor vehicle subject to the International Registration Plan that is registered after the date



designated for registration of the motor vehicle in rules adopted under IC 9-18-2-7 shall be registered at a rate determined by the following formula:

STEP ONE: Determine the number of months before the motor vehicle must be re-registered. A partial month shall be rounded to one (1) month.

STEP TWO: Multiply the STEP ONE result by one-twelfth (1/12).

STEP THREE: Multiply the annual registration fee for the vehicle by the STEP TWO result.

(e) (f) A school bus subject to registration under IC 9-18-2-8.5 that is registered after January 31 for the prior calendar year shall be registered at one-half (1/2) the regular rate.

SECTION 26. IC 36-6-6-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16. (a) This section applies only to Green Township in Madison County.**

(b) Notwithstanding any other law, the legislative body may issue a special order, entered and signed on the record, authorizing the executive of the township to borrow a sufficient amount of money to pay the township's obligations under a contract for fire or emergency services in 2014.

(c) This section expires January 1, 2017.

SECTION 27. [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **(a) This SECTION applies only to Washington Township in Hamilton County.**

(b) The department of local government finance shall increase the 2014 maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for Washington Township in Hamilton County by the lesser of the following amounts:

(1) The amount determined by recalculating the 2014 maximum permissible ad valorem property tax levy under IC 6-1.1-18.5 for Washington Township in Hamilton County by using the 2007 maximum permissible ad valorem property tax levy for the county and then increasing the 2007 maximum permissible ad valorem property tax levy by applying the cumulative effect of using the assessed value growth quotient applicable to the county for each year during the period 2008 through 2014.

(2) Eighty-five thousand dollars (\$85,000).

(c) The 2014 maximum permissible ad valorem property tax levy for Washington Township in Hamilton County, as increased



under this SECTION, shall also be used as the township's previous year maximum permissible ad valorem property tax levy for the determination under IC 6-1.1-18.5 of the township's 2015 maximum permissible ad valorem property tax levy.

(d) This SECTION expires January 1, 2016."

Page 18, delete lines 14 through 23.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1380 as printed January 28, 2014.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1380 be amended to read as follows:

Page 1, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 2. IC 5-1-5-2.5, AS AMENDED BY P.L.257-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "eligible school corporation" means **the following**:

(1) A school corporation (as defined in IC 36-1-2-17) that satisfies all the conditions required by this section.

(2) Beech Grove City Schools.

(b) As used in this section, "increment" means the annual difference between:

(1) the annual debt service payment for the bonds proposed to be retired or refunded; and

(2) the annual debt service payment for the proposed refunding bonds;

for each year that the bonds that are being retired or refunded would have been outstanding.

(c) **Except as provided in subsection (k)**, in order for a school corporation to be an eligible school corporation under this section, the school corporation must determine that the percentage computed under this subsection for the school corporation is at least twenty percent (20%), regarding the year for which the latest certified levies have been determined. A school corporation shall compute its percentage as follows:

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- (1) Compute the amount of credits granted under IC 6-1.1-20.6 against the school corporation's combined levy for the school corporation's:
 - (A) debt service fund, as described in IC 20-46-7-15;
 - (B) capital projects fund;
 - (C) transportation fund;
 - (D) school bus replacement fund; and
 - (E) racial balance fund.
- (2) Compute the school corporation's combined levy for the school corporation's:
 - (A) capital projects fund;
 - (B) transportation fund;
 - (C) school bus replacement fund; and
 - (D) racial balance fund.
- (3) Divide the amount computed under subdivision (1) by the amount computed under subdivision (2) and express it as a percentage.

A school corporation that desires to be an eligible school corporation under this section must submit a written request for a certification by the department of local government finance that the computation of the school corporation's percentage computed under this subsection is correct. The department of local government finance shall, not later than ten (10) working days after the date the department receives the school corporation's request, certify the percentage computed under this subsection for the school corporation.

(d) **Except as provided in subsection (k)**, a school corporation that desires to be an eligible school corporation under this section must satisfy the following conditions:

- (1) The school corporation shall conduct a public hearing and provide notice of the time, date, and place of the hearing, published as required by IC 5-3-1, before the school corporation may adopt a resolution under this section. At the public hearing, the governing body must provide the following information:
 - (A) The annual debt service payments, applicable debt service tax rate, and total debt service payments for the bonds proposed to be retired or refunded.
 - (B) The annual debt service payments, applicable debt service fund tax rate, and total debt service payments for the proposed refunding bonds.
 - (C) The annual increment for each year that the bonds that are being retired or refunded would have been outstanding and any other benefits to be derived from issuing the refunding



bonds.

(2) The requirements of this subdivision do not apply to a school corporation that adopts a resolution under subsection (g) before January 1, 2014, and that has a percentage computed under subsection (c) that is at least twenty percent (20%), as certified by the department of local government finance. If the amount determined under subsection (c)(3) is:

(A) more than forty-five percent (45%), notwithstanding IC 6-1.1-20-3.1(a) and IC 6-1.1-20-3.2(a), the school corporation shall use the petition and remonstrance process prescribed by IC 6-1.1-20-3.1(b) and IC 6-1.1-20-3.2(b) and more individuals must sign the petition for the bond refunding under this section than the number of individuals signing a remonstrance against the bond refunding; or

(B) at least thirty percent (30%) but not more than forty-five percent (45%), the school corporation shall conduct a referendum on a public question regarding the bond refunding using the process for a referendum tax levy under IC 20-46-1 and the bond refunding must be approved by the eligible voters of the school corporation. The question to be submitted to the voters in the referendum must read as follows:

"Shall _____ (insert the name of the school corporation) issue refunding bonds to refund not more than fifty percent (50%) of its outstanding bonds to provide an annual savings to the school's debt service fund that can be transferred from the school's debt service fund to the school's capital projects fund, transportation fund, or school bus replacement fund?".

(3) The requirements of this subdivision apply to a school corporation that adopts a resolution under subsection (g) before January 1, 2014, and that has a percentage computed under subsection (c) that is at least twenty percent (20%), as certified by the department of local government finance. The school corporation must either:

(A) have the distressed unit appeal board approve the school corporation's financial plan for paying any refunding bonds issued under this section, as provided in subsection (e); or

(B) meet all of the following conditions:

(i) The ratio that the amount of the school corporation's debt (as determined in December 2010) bears to the school corporation's 2011 ADM ranks in the ten (10) highest among all school corporations.

(ii) The ratio that the amount of the school corporation's debt



(as determined in December 2010) bears to the school corporation's total assessed valuation for calendar year 2011 ranks in the ten (10) highest among all school corporations.

(iii) The amount of homestead assessed valuation in the school corporation for calendar year 2011 was at least sixty percent (60%) of the total amount of assessed valuation in the school corporation for calendar year 2011.

(e) A school corporation meets the requirement of subsection (d)(3)(A) if:

(1) the school corporation submits to the distressed unit appeal board the school corporation's financial plan for paying any refunding bonds issued under this section; and

(2) the distressed unit appeal board approves the plan after making a determination that the financial plan is feasible.

The distressed unit appeal board must either approve or disapprove the financial plan not more than sixty (60) days after the later of the date the school corporation submits the financial plan under this subsection or the date on which the department of local government finance certifies the percentage computed for the school corporation under subsection (c). The distressed unit appeal board may not unreasonably deny approval of a school corporation's financial plan under this subsection.

(f) Except as provided in subsection (d)(2)(A), IC 6-1.1-20 does not apply to bonds issued under this section.

(g) **Except as provided in subsection (k)**, a school corporation that desires to be an eligible school corporation under this section must, before January 1, 2014, and notwithstanding any other law, adopt a resolution that sets forth the following:

(1) The determinations made under subsection (c), including the department of local government finance's certification of the percentage computed under subsection (c).

(2) The requirements of this subdivision do not apply to a resolution adopted under this subsection before January 1, 2014, if the school corporation has a percentage computed under subsection (c) that is at least twenty percent (20%), as certified by the department of local government finance. The result of the petition remonstrance process under subsection (d)(2)(A) or the result of the vote on the public question under subsection (d)(2)(B), whichever applies.

(3) A determination providing for the:

(A) issuance of bonds to refund not more than fifty percent (50%) of outstanding bonds or leases issued by or on behalf of



the school corporation; and

(B) payment of redemption premiums and the costs of the refunding.

(4) With respect to the refunding bonds, the following:

(A) The maximum principal amount.

(B) The maximum interest rate.

(C) The annual lease or debt service payment.

(D) The final maturity date.

(E) The estimated amount of the increment that will occur for each year that the bonds that are being retired or refunded by the issuance of refunding bonds would have been outstanding.

(F) A finding that the annual debt service or lease payment on the refunding bonds will not increase the annual debt service or lease payment above the annual debt service or lease payment approved by the school corporation for the original project.

If the governing body adopts a resolution under this section, the governing body must publish notice of the adoption of the resolution as required by IC 5-3-1.

(h) An eligible school corporation may issue refunding bonds as permitted by this section. In addition, an eligible school corporation may extend the repayment period beyond the repayment period for the bonds that are being retired or refunded by the issuance of refunding bonds. However, the repayment period may be extended only once for a particular bond, and the extension may not exceed ten (10) years after the latest maturity date for any of the bonds being retired or refunded by the eligible school corporation under this section.

(i) Property taxes imposed by an eligible school corporation to pay debt service for bonds permitted by this section shall be considered for purposes of calculating the limits to property tax liability under Article 10, Section 1 of the Constitution of the State of Indiana and for calculating a person's credit under IC 6-1.1-20.6-7.5. However, property taxes imposed by an eligible school corporation through December 31, 2019, to pay debt service for bonds permitted by this section may not be considered in an eligible county, as used in Article 10, Section 1(h) of the Constitution of the State of Indiana, for purposes of calculating the limits to property tax liability under Article 10, Section 1 of the Constitution of the State of Indiana or for calculating a person's credit under IC 6-1.1-20.6-7.5.

(j) If a school corporation described in subsection (d)(3)(B) issues refunding bonds as permitted by this section, the school corporation must, not more than sixty (60) days after the department of local



government finance certifies the school corporation's percentage under subsection (c), report information concerning the refunding to the distressed unit appeal board. The distressed unit appeal board shall make a non-binding review with recommendations regarding the school's financial condition and operating practices.

(k) Beech Grove City Schools is considered an eligible school corporation for purposes of this section and may, without complying with any requirements of subsection (c), (d), (e), (g)(1), or (g)(2), issue refunding bonds as provided by this section."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1380 as printed February 28, 2014.)

MILLER PATRICIA

SENATE MOTION

Madam President: I move that Engrossed House Bill 1380 be amended to read as follows:

Page 8, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 9. IC 6-3-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2014 (RETROACTIVE)]: **Sec. 2.1. (a) This section applies only to taxable years beginning after December 31, 2013.**

(b) The following definitions apply throughout this section:

(1) "Qualified logistics services" means the provision of the warehousing, management, distribution, transportation, or other services on behalf of an unrelated party with respect to, but without taking title to, the qualified property of the unrelated party.

(2) "Qualified property" means legend drugs (as defined in IC 16-18-2-199), devices (as defined in IC 16-18-2-94), or medical supplies.

(3) "Qualified third-party logistics provider" means an entity that:

(A) is licensed under IC 25-26-14; and

(B) provides qualified logistics services.

(4) "Unrelated party" means an entity that, with respect to a qualified third party logistics provider:

(A) is not a member of the same affiliated group within the meaning of IC 6-3-2-20(a)(1);

(B) is not related within the meaning of Section 267 of the



Internal Revenue Code; and

(C) is not related within the meaning of Section 707(b) of the Internal Revenue Code.

(c) Notwithstanding any other provision of this article, with respect to an entity that has contracted with a qualified third-party logistics provider for qualified logistics services, the:

(1) ownership or leasing by that entity of tangible or intangible property located at the Indiana premises of the qualified third-party logistics provider;

(2) sale by that entity of qualified property shipped or distributed from the Indiana premises of the qualified third-party logistics provider;

(3) activities of any kind performed by or on behalf of that entity at the Indiana premises of the qualified third-party logistics provider; and

(4) activities performed by the qualified third-party logistics provider in Indiana for or on behalf of that entity;

shall not cause that entity to have adjusted gross income derived from sources within Indiana for purposes of the taxes imposed by this chapter, unless that entity engages in other activities in Indiana away from the premises of the qualified third-party logistics provider that exceed the protection of 15 U.S.C. 381.

(d) This section expires January 1, 2022."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1380 as printed February 28, 2014.)

KENLEY



SENATE MOTION

Madam President: I move that Engrossed House Bill 1380 be amended to read as follows:

Replace the effective date in SECTION 21 with "[EFFECTIVE JULY 1, 2014]".

Page 16, line 33, delete "2014" and insert "**2015**".

Page 16, line 36, delete "2014" and insert "**2015**".

Page 16, line 40, delete "county" and insert "**township**".

Page 17, line 1, delete "county" and insert "**township**".

Page 17, line 2, delete "2014." and insert "**2015.**".

Page 17, line 4, delete "2014" and insert "**2015**".

Page 17, line 8, delete "2015" and insert "**2016**".

Page 17, line 10, delete "2016." and insert "**2017.**".

(Reference is to EHB 1380 as printed February 28, 2014.)

KENLEY

SENATE MOTION

Madam President: I move that Engrossed House Bill 1380 be amended to read as follows:

Page 7, delete lines 12 through 42.

Page 8, delete lines 1 through 34.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1380 as printed February 28, 2014.)

KENLEY

