

# HOUSE BILL No. 1111

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-48.

**Synopsis:** State payments in lieu of property taxes. Requires the state to make payments in lieu of property taxes (PILOTs) for qualified parcels in counties in which at least 15% of all land in the county is: (1) in the aggregate, owned or leased by the state of Indiana or the federal government; and (2) subject to an exemption from property taxes. Defines "qualified parcel" as a parcel that is: (1) owned or leased by the state of Indiana; (2) subject to an exemption from property taxes; and (3) located in a county to which this act applies. Provides that a county containing qualified parcels is entitled to receive PILOTs from the state. Provides that for purposes of calculating a PILOT, each acre of the qualified parcel is considered to have an assessed value of 1/2 of the statewide agricultural land base rate value. Provides that money received from the PILOTs must be used by the taxing units for one or more of the following purposes: (1) Public safety. (2) Capital improvements. (3) Purchase or lease of equipment. Annually appropriates from the state general fund the amount necessary to pay the required PILOTs.

**Effective:** July 1, 2019.

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## Bartels

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January 7, 2019, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

# HOUSE BILL No. 1111

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-1.1-48 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2019]:  
4 **Chapter 48. Payments in Lieu of Property Taxes**  
5 **Sec. 1. This chapter applies to a county in which at least fifteen**  
6 **percent (15%) of all land in the county is:**  
7 **(1) in the aggregate, owned or leased by the state of Indiana**  
8 **or the federal government; and**  
9 **(2) subject to an exemption from property taxes.**  
10 **Sec. 2. This chapter applies to property taxes first due and**  
11 **payable after December 31, 2019.**  
12 **Sec. 3. As used in this chapter, "adjusted assessed value" means**  
13 **the assessed value of a qualified parcel determined by using the**  
14 **following formula:**  
15 **STEP ONE: Determine the number of acres included in the**  
16 **qualified parcel.**  
17 **STEP TWO: Determine the product of:**



- 1           (A) the statewide agricultural land base rate in effect on  
2           the assessment date of the year immediately preceding the  
3           year in which the PILOT is due; multiplied by  
4           (B) the STEP ONE result.
- 5           **STEP THREE: Determine the quotient of:**  
6           (A) the STEP TWO result; divided by  
7           (B) two (2).
- 8           **STEP FOUR: Round the STEP THREE result to the nearest**  
9           **dollar.**
- 10          **Sec. 4. As used in this chapter, "federal government" refers to**  
11          **the United States or an agency, board, bureau, commission,**  
12          **department, division, instrumentality, or office of the United**  
13          **States.**
- 14          **Sec. 5. As used in this chapter, "PILOT" refers to a payment in**  
15          **lieu of taxes.**
- 16          **Sec. 6. As used in this chapter, "qualified parcel" means a**  
17          **parcel of land that is:**
- 18               (1) owned or leased by the state of Indiana;  
19               (2) subject to an exemption from property taxes; and  
20               (3) situated in a county to which this chapter applies.
- 21          **Sec. 7. As used in this chapter, "state of Indiana" includes an**  
22          **agency of state government. The term does not include a political**  
23          **subdivision.**
- 24          **Sec. 8. As used in this chapter, "statewide agricultural land base**  
25          **rate" means the statewide agricultural land base rate value per**  
26          **acre used to determine the value of agricultural land as provided**  
27          **under IC 6-1.1-4-13.2.**
- 28          **Sec. 9. A county is entitled to receive a PILOT from the state for**  
29          **qualified parcels.**
- 30          **Sec. 10. The assessing official shall assess the qualified parcels**  
31          **as provided under section 11 of this chapter as though the land**  
32          **were not exempt from the payment of property taxes.**
- 33          **Sec. 11. The total amount of each PILOT due to a county under**  
34          **this chapter in a particular year equals the total amount of**  
35          **property taxes that would have been levied in that year in the**  
36          **county upon the qualified parcel, as determined using the qualified**  
37          **parcel's adjusted assessed value.**
- 38          **Sec. 12. PILOTs:**
- 39               (1) shall be collected and distributed in the same manner as  
40               property taxes are collected and distributed; and  
41               (2) are otherwise treated in the same manner as property  
42               taxes for purposes of all procedural and substantive



1           provisions of law.  
2           **Sec. 13. Money received by a taxing unit from PILOTs must be**  
3 **used by the taxing unit for one (1) or more of the following**  
4 **purposes:**  
5           **(1) Public safety.**  
6           **(2) Construction, renovation, improvement, equipping, or**  
7 **maintenance of capital improvements, including the pledge of**  
8 **money under IC 5-1-14-4 for bonds, leases, or obligations for**  
9 **the capital improvements.**  
10          **(3) Purchase or lease of equipment for use by the taxing unit**  
11 **for any purpose of the taxing unit.**  
12          **Sec. 14. There is annually appropriated from the state general**  
13 **fund the amount necessary to pay the PILOTs required by this**  
14 **chapter.**

