

## **IC 14-33-7**

### **Chapter 7. Payment of Expenses**

#### **IC 14-33-7-0.1**

##### **Application of certain amendments to chapter**

Sec. 0.1. The amendments made to section 4 of this chapter by P.L.97-2004 apply only to property taxes first due and payable after December 31, 2002.

*As added by P.L.220-2011, SEC.300.*

#### **IC 14-33-7-1**

##### **Special benefit taxes**

Sec. 1. (a) All the real property in the district, except the property that is exempt under section 4 of this chapter, constitutes a taxing district for the purpose of levying special benefit taxes to pay for the following:

- (1) The expenses of establishing the district.
- (2) General preliminary and administrative expenses.
- (3) The expenses of preparing the district plan.
- (4) The expenses of putting the district plan into operation by constructing the necessary works.
- (5) The expenses of operating and maintaining the district.

(b) The special tax:

- (1) equals the amount of benefits received; and
- (2) must be based on return for the benefits.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-2**

##### **Water supply, treatment, and distribution; assessments; tap-in fees**

Sec. 2. (a) This section applies if:

- (1) a petition filed for the establishment of a district states that:
  - (A) the purpose for establishing the district is providing water supply, including treatment and distribution for domestic, industrial, and public use;
  - (B) it is the election of the petitioners to accomplish the purpose under IC 14-33-20;
  - (C) a special benefits tax will not be levied; and
  - (D) all costs will be paid for by sources other than the levy of a special benefits tax; and
- (2) the statements contained in subdivision (1) are incorporated by the court into the order establishing the district.

(b) The board may not levy a special benefits tax for the purpose described in section 1(a)(1) of this chapter. All costs of accomplishing the purpose must be paid for by the following:

- (1) Receipt of revenues from the sale of water.
- (2) An assessment against each tract of real property served by the resulting water distribution system for the lesser of the following:
  - (A) Seventy-five dollars (\$75).
  - (B) Five percent (5%) of the estimated average project cost

according to the district plan of serving each tract of real property.

(c) In addition, the district may charge a fair and reasonable tap-in fee for water service.

(d) An assessment is due within sixty (60) days after notice of the assessment. The assessment is not considered an exceptional benefit, but the provisions of this article pertaining to exceptional benefits apply to the collection and enforcement of the assessment.

*As added by P.L.1-1995, SEC.26.*

### **IC 14-33-7-3**

#### **Special benefits tax rate**

Sec. 3. In all districts described in IC 14-33-9-4, the special benefits tax rate may not exceed six and sixty-seven hundredths cents (\$0.0667) on each one hundred dollars (\$100) of assessed valuation of property in the taxing district.

*As added by P.L.1-1995, SEC.26. Amended by P.L.6-1997, SEC.160.*

### **IC 14-33-7-4**

#### **Property exempt from special benefits tax**

Sec. 4. (a) This section applies to the following tangible property owned by or held in trust for the use of a church or religious society:

- (1) A building that is used for religious worship.
- (2) A building that is used as a parsonage.
- (3) The pews and furniture contained within a building that is used for religious worship.
- (4) The land upon which a building that is used for religious worship is situated.
- (5) The land, not exceeding fifteen (15) acres, upon which a building that is used as a parsonage is situated.

(b) Property is exempt from the special benefits tax that may be imposed under:

- (1) IC 14-33-6-13 and section 1 of this chapter; or
- (2) IC 14-33-21-5;

to the extent that the special benefits tax revenue will be used for the construction or improvement of a water impoundment project, including a lake, pond, or dam.

(c) To obtain an exemption for a parsonage, a church or religious society must provide the county auditor with an affidavit at the time the church or religious society applies for the exemption. The affidavit must:

- (1) state:
  - (A) that all parsonages are being used to house one (1) of the church's or religious society's rabbis, priests, preachers, ministers, or pastors; and
  - (B) that none of the parsonages are being used to make a profit; and
- (2) be signed under oath or affirmation by the church's or religious society's head rabbi, priest, preacher, minister, pastor, or designee of the official church body.

*As added by P.L.1-1995, SEC.26. Amended by P.L.264-2003, SEC.13.*

#### **IC 14-33-7-5**

##### **Additional revenue**

Sec. 5. The expenses and obligations of the district may also be paid from any of the following:

- (1) The receipt of gifts from any source.
- (2) The receipt of money from the federal or state government.
- (3) The receipt of revenue from the sale of services or property produced incident to the accomplishment of a purpose for which the district is established.
- (4) The collection of assessments from land that receives exceptional benefits from the operation of the district plan.
- (5) The collection of assessments for maintenance and operation of the works of improvement.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-6**

##### **Notice costs and court costs**

Sec. 6. (a) The:

- (1) cost of notice, including publication and mailing; and
- (2) other costs of the court in the proceedings to establish the district;

are payable out of the general money of the county in which the court is sitting, without an appropriation having been made. The court shall order the county auditor to issue a warrant for the payment.

(b) If the petition is dismissed, the costs shall be:

- (1) collected from the petitioners or the sureties of the petitioners; and
- (2) repaid to the county.

(c) If the district is established, the board shall repay the county from the first money collected from the levy of a tax or the collection of an assessment.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-7**

##### **Costs of establishing district; loans and advances**

Sec. 7. (a) To pay the costs of establishing a district, including general, legal, and administrative costs and costs incident to preparing the district plan, money may be obtained from one (1) or a combination of the following methods:

- (1) Gifts, loans, or grants from a state or federal agency, or both.
- (2) Gifts from any source.
- (3) The collection of the special benefit tax.
- (4) Borrowing from private or public sources in anticipation of the collection of the tax.
- (5) Advances from the general fund of the county under section 15 of this chapter.

(6) Borrowing from the economic development fund created by IC 5-28-8 for any of the purposes in IC 14-33-1-1.

(7) Borrowing from the flood control revolving fund created by IC 14-28-5 for any of the purposes in IC 14-33-1-1.

(b) All persons, agencies, and departments charged with the administration and supervision of funds such as those created by IC 5-28-8 and IC 14-28-5 may make loans and advances to a district. The procedures, terms, and conditions of the loans must be the same as provided in the statutes establishing the funds but shall be modified and supplemented to fit this article to facilitate the financing of districts.

(c) This section does not preclude the borrowing of money for the following:

(1) Establishing the district.

(2) General, legal, and administrative costs.

(3) Costs incident to preparing the district plan in conjunction with borrowing of money to pay construction costs.

*As added by P.L.1-1995, SEC.26. Amended by P.L.4-2005, SEC.127.*

#### **IC 14-33-7-8**

##### **Fiscal year**

Sec. 8. The fiscal year of a district is the calendar year.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-9**

##### **Amended district plan; expenses**

Sec. 9. If the board is ordered to prepare an amended district plan, the board may use any source of money provided in section 7 of this chapter to defray the expense, which is a proper operating expense. The board may use for this purpose a current operating surplus available in the year the board is ordered to amend the district plan. The board may include the estimated expense of preparing an amended district plan in the budget for operating expenses in the next year.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-10**

##### **Loans from federal agencies for works of improvement**

Sec. 10. (a) The board may apply to the federal Farmers Home Administration, the United States Department of Housing and Urban Development, or any other federal agency authorized to make loans for works of improvement for a long term or short term loan to cover the following:

(1) Expenses of establishing the district.

(2) General, legal, and administrative expenses.

(3) Costs of engineering or other costs of preparing the district plan.

(4) Costs of putting the district plan into effect by the necessary construction, maintenance, and operation of the works of improvement that have been authorized by the approval of the

district plan.

(5) Refinancing a loan whose proceeds have been used for any of the purposes described in this subsection.

(b) A loan under this section:

(1) may be evidenced by one (1) installment note or by a series of notes; and

(2) may be secured by:

(A) revenues; or

(B) the collection of the special benefits tax levied on the real property in the district.

If a loan is secured by a pledge of collection of the tax, the loan may be paid in whole or in part by revenues or the collection of assessments.

(c) If the board decides not to evidence the financing with a federal agency by an installment note or series of notes and instead prepares a bond issue, the bond issue may, in whole or in part, be offered for sale to the federal agency without:

(1) a public offering; or

(2) the securing of competitive bids on the bond offering.

(d) Repayment of a loan begins at the time upon which the board and the federal agency agree. The:

(1) amount of interest;

(2) time of making payments of interest; and

(3) interval at which interest must be paid;

are subject to the agreement of the parties.

*As added by P.L.1-1995, SEC.26.*

### **IC 14-33-7-11**

#### **Petition for approval of financial commitments**

Sec. 11. (a) Before making firm financial commitments under section 10 of this chapter with a federal agency, the board must file a petition for approval of the proposed action in the court. The petition must state:

(1) the purpose;

(2) the amount; and

(3) the terms;

of the proposed loan.

(b) The court shall set a date for a hearing, giving priority to the hearing in determining the date. However, the court must allow at least twenty-one (21) days for interested persons to file exceptions. The court shall order notice for the hearing as the court considers necessary, but publication must at least be made in each county having land in the district in accordance with IC 5-3-1 as if the notice affected county business. The notice must state in summary form the contents of the petition.

(c) If at the hearing the court finds that:

(1) the loan as proposed in the petition is necessary for the accomplishment of the purpose of the district; and

(2) the terms and conditions are reasonable and probably are as beneficial to the district as would be obtainable in private,

competitive financial markets;  
the court shall approve the petition and authorize the board to make firm commitments for the loan.

(d) Upon approval by the court, the board may levy the special benefits taxes necessary for the repayment of the loan.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-12**

##### **District plan to include federal agency agreements**

Sec. 12. The board shall include agreements made with a federal agency under section 10 of this chapter in the district plan if agreements have been made at the time of submission of the plan to the commission.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-13**

##### **Special benefits tax levied although district plan abandoned**

Sec. 13. The levy of the tax for special benefits may be made although an attempt to formulate a district plan has been abandoned because of:

- (1) changed conditions;
- (2) impracticability; or
- (3) other reasons;

if money is necessary to meet valid obligations of the district.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-14**

##### **Note issuance**

Sec. 14. (a) In anticipation of the money to be received from any source, a board may borrow money by issuing notes. The notes:

- (1) must mature in not more than two (2) years; and
- (2) may be renewed for periods of not more than two (2) years.

(b) The borrowing may be by direct negotiation with any of the following:

- (1) A bank or savings association licensed to do business in Indiana.
- (2) An agent of the state or federal government.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-15**

##### **County auditor issuing warrants for money**

Sec. 15. (a) To pay all:

- (1) necessary expenses of establishing a district;
- (2) general, legal, and administrative costs; and
- (3) costs incident to preparing the district plan;

the court may order the auditor of the county in which the court is sitting to issue warrants to the district for money necessary to meet these expenses.

(b) If at least two (2) counties have land in the district, the court shall order the auditor of each other county to reimburse the paying

county from the other county's general fund by issuing warrants in amounts that the court estimates will be reasonable in relation to the estimated benefits that the land in each county will receive from the operation of the district.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-16**

##### **Necessary expenses**

Sec. 16. (a) The necessary expenses of establishing a district include the following:

- (1) Costs of printing, publication, mailing, surveying, and abstracting.
- (2) Court costs.
- (3) Reasonable attorney's fees for establishing the district.
- (4) Reasonable engineering fees for preliminary studies.

(b) General, legal, and administrative costs and costs incident to preparing a district plan include the following:

- (1) Payment of directors.
- (2) Secretarial services.
- (3) Transportation, administrative, engineering, and legal fees.
- (4) Printing, mailing, basic supplies, office equipment, and rental of office space.

*As added by P.L.1-1995, SEC.26.*

#### **IC 14-33-7-17**

##### **Repayment of money advanced to district**

Sec. 17. A district shall promptly repay any money that is advanced to the district from:

- (1) the general fund of a county; or
- (2) the economic development fund created by IC 5-28-8;

from money received through the collection of an authorized tax or assessment.

*As added by P.L.1-1995, SEC.26. Amended by P.L.4-2005, SEC.128.*