

SENATE BILL No. 389

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1.5-6.5-1; IC 5-28-15-14; IC 6-1.1; IC 36-1; IC 36-7.

Synopsis: Tax increment financing districts. Provides that if a redevelopment commission outside Marion County wishes to establish a tax increment financing (TIF) area after December 31, 2016, a taxing unit that is located wholly or partly within a proposed TIF area may elect whether to participate in the TIF area. If a taxing unit elects to participate in a proposed TIF area, the taxing unit is bound by the terms of the TIF area until the TIF area expires.

Effective: January 1, 2017.

Bassler

January 12, 2016, read first time and referred to Committee on Appropriations.



Second Regular Session 119th General Assembly (2016)

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

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

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

SENATE BILL No. 389

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

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

1 SECTION 1. IC 5-1.5-6.5-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 1. (a) The bank
3 shall establish and maintain:
4 (1) a capital principal fund, to be funded from appropriations
5 made to the fund by the general assembly and any other money
6 that the bank transfers to the fund; and
7 (2) a capital interest fund, to be funded from investment earnings
8 on the capital principal fund.
9 (b) The bank may use the funds only for programs for qualified
10 entities issuing securities for any of the following purposes:
11 (1) Sewage works.
12 (2) Waterworks.
13 (3) Parking facilities.
14 (4) Redevelopment projects financed with allocated property tax
15 proceeds under IC 36-7-14-39, **IC 36-7-14-39.8**, or
16 IC 36-7-15.1-26.
17 SECTION 2. IC 5-28-15-14, AS ADDED BY P.L.4-2005,



1 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2017]: Sec. 14. (a) A U.E.A. shall do the following:

- 3 (1) Coordinate zone development activities.
4 (2) Serve as a catalyst for zone development.
5 (3) Promote the zone to outside groups and individuals.
6 (4) Establish a formal line of communication with residents and
7 businesses in the zone.
8 (5) Act as a liaison between residents, businesses, the
9 municipality, and the board for any development activity that may
10 affect the zone or zone residents.

11 (b) A U.E.A. may do the following:

- 12 (1) Initiate and coordinate any community development activities
13 that aid in the employment of zone residents, improve the
14 physical environment, or encourage the turnover or retention of
15 capital in the zone. These additional activities include but are not
16 limited to recommending to the municipality the manner and
17 purpose of expenditure of funds generated under
18 ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(h), IC 36-7-14-39.8(h)**, or
19 IC 36-7-15.1-26(g).

- 20 (2) Recommend that the board modify a zone boundary or
21 disqualify a zone business from eligibility for one (1) or more
22 benefits or incentives available to zone businesses.

- 23 (3) Incorporate as a nonprofit corporation. Such a corporation
24 may continue after the expiration of the zone in accordance with
25 the general principles established by this chapter. A U.E.A. that
26 incorporates as a nonprofit corporation under this subdivision
27 may purchase or receive real property from a redevelopment
28 commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

29 (c) The U.E.A. may request, by majority vote, that the legislative
30 body of the municipality in which the zone is located modify or waive
31 any municipal ordinance or regulation that is in effect in the zone. The
32 legislative body may, by ordinance, waive or modify the operation of
33 the ordinance or regulation, if the ordinance or regulation does not
34 affect health (including environmental health), safety, civil rights, or
35 employment rights.

36 (d) The U.E.A. may request, by majority vote, that the board waive
37 or modify any state rule that is in effect in the zone. The board shall
38 review the request and may approve, modify, or reject the request.
39 Approval or modification by the board shall take place after review by
40 the appropriate state agency. A modification may include but is not
41 limited to establishing different compliance or reporting requirements,
42 timetables, or exemptions in the zone for a business or an individual,



1 to the extent that the modification does not adversely affect health
 2 (including environment health), safety, employment rights, or civil
 3 rights. An approval or a modification of a state rule by the board takes
 4 effect upon the approval of the governor. In no case are the provisions
 5 of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

6 SECTION 3. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2017]: Sec. 2. (a) A designating body may find that a
 9 particular area within its jurisdiction is an economic revitalization area.
 10 However, the deduction provided by this chapter for economic
 11 revitalization areas not within a city or town shall not be available to
 12 retail businesses.

13 (b) In a county containing a consolidated city or within a city or
 14 town, a designating body may find that a particular area within its
 15 jurisdiction is a residentially distressed area. Designation of an area as
 16 a residentially distressed area has the same effect as designating an
 17 area as an economic revitalization area, except that the amount of the
 18 deduction shall be calculated as specified in section 4.1 of this chapter
 19 and the deduction is allowed for not more than the number of years
 20 specified by the designating body under section 17 of this chapter. In
 21 order to declare a particular area a residentially distressed area, the
 22 designating body must follow the same procedure that is required to
 23 designate an area as an economic revitalization area and must make all
 24 the following additional findings or all the additional findings
 25 described in subsection (c):

26 (1) The area is comprised of parcels that are either unimproved or
 27 contain only one (1) or two (2) family dwellings or multifamily
 28 dwellings designed for up to four (4) families, including accessory
 29 buildings for those dwellings.

30 (2) Any dwellings in the area are not permanently occupied and
 31 are:

32 (A) the subject of an order issued under IC 36-7-9; or

33 (B) evidencing significant building deficiencies.

34 (3) Parcels of property in the area:

35 (A) have been sold and not redeemed under IC 6-1.1-24 and
 36 IC 6-1.1-25; or

37 (B) are owned by a unit of local government.

38 However, in a city in a county having a population of more than two
 39 hundred fifty thousand (250,000) but less than two hundred seventy
 40 thousand (270,000), the designating body is only required to make one
 41 (1) of the additional findings described in this subsection or one (1) of
 42 the additional findings described in subsection (c).



1 (c) In a county containing a consolidated city or within a city or
 2 town, a designating body that wishes to designate a particular area a
 3 residentially distressed area may make the following additional
 4 findings as an alternative to the additional findings described in
 5 subsection (b):

6 (1) A significant number of dwelling units within the area are not
 7 permanently occupied or a significant number of parcels in the
 8 area are vacant land.

9 (2) A significant number of dwelling units within the area are:

10 (A) the subject of an order issued under IC 36-7-9; or

11 (B) evidencing significant building deficiencies.

12 (3) The area has experienced a net loss in the number of dwelling
 13 units, as documented by census information, local building and
 14 demolition permits, or certificates of occupancy, or the area is
 15 owned by Indiana or the United States.

16 (4) The area (plus any areas previously designated under this
 17 subsection) will not exceed ten percent (10%) of the total area
 18 within the designating body's jurisdiction.

19 However, in a city in a county having a population of more than two
 20 hundred fifty thousand (250,000) but less than two hundred seventy
 21 thousand (270,000), the designating body is only required to make one
 22 (1) of the additional findings described in this subsection as an
 23 alternative to one (1) of the additional findings described in subsection
 24 (b).

25 (d) A designating body is required to attach the following conditions
 26 to the grant of a residentially distressed area designation:

27 (1) The deduction will not be allowed unless the dwelling is
 28 rehabilitated to meet local code standards for habitability.

29 (2) If a designation application is filed, the designating body may
 30 require that the redevelopment or rehabilitation be completed
 31 within a reasonable period of time.

32 (e) To make a designation described in subsection (a) or (b), the
 33 designating body shall use procedures prescribed in section 2.5 of this
 34 chapter.

35 (f) The property tax deductions provided by section 3, 4.5, or 4.8 of
 36 this chapter are only available within an area which the designating
 37 body finds to be an economic revitalization area.

38 (g) The designating body may adopt a resolution establishing
 39 general standards to be used, along with the requirements set forth in
 40 the definition of economic revitalization area, by the designating body
 41 in finding an area to be an economic revitalization area. The standards
 42 must have a reasonable relationship to the development objectives of



1 the area in which the designating body has jurisdiction. The following
 2 four (4) sets of standards may be established:

3 (1) One (1) relative to the deduction under section 3 of this
 4 chapter for economic revitalization areas that are not residentially
 5 distressed areas.

6 (2) One (1) relative to the deduction under section 3 of this
 7 chapter for residentially distressed areas.

8 (3) One (1) relative to the deduction allowed under section 4.5 of
 9 this chapter.

10 (4) One (1) relative to the deduction allowed under section 4.8 of
 11 this chapter.

12 (h) A designating body may impose a fee for filing a designation
 13 application for a person requesting the designation of a particular area
 14 as an economic revitalization area. The fee may be sufficient to defray
 15 actual processing and administrative costs. However, the fee charged
 16 for filing a designation application for a parcel that contains one (1) or
 17 more owner-occupied, single-family dwellings may not exceed the cost
 18 of publishing the required notice.

19 (i) In declaring an area an economic revitalization area, the
 20 designating body may:

21 (1) limit the time period to a certain number of calendar years
 22 during which the economic revitalization area shall be so
 23 designated;

24 (2) limit the type of deductions that will be allowed within the
 25 economic revitalization area to the deduction allowed under
 26 section 3 of this chapter, the deduction allowed under section 4.5
 27 of this chapter, the deduction allowed under section 4.8 of this
 28 chapter, or any combination of these deductions;

29 (3) limit the dollar amount of the deduction that will be allowed
 30 with respect to new manufacturing equipment, new research and
 31 development equipment, new logistical distribution equipment,
 32 and new information technology equipment;

33 (4) limit the dollar amount of the deduction that will be allowed
 34 with respect to redevelopment and rehabilitation occurring in
 35 areas that are designated as economic revitalization areas;

36 (5) limit the dollar amount of the deduction that will be allowed
 37 under section 4.8 of this chapter with respect to the occupation of
 38 an eligible vacant building; or

39 (6) impose reasonable conditions related to the purpose of this
 40 chapter or to the general standards adopted under subsection (g)
 41 for allowing the deduction for the redevelopment or rehabilitation
 42 of the property or the installation of the new manufacturing



1 equipment, new research and development equipment, new
 2 logistical distribution equipment, or new information technology
 3 equipment.

4 To exercise one (1) or more of these powers, a designating body must
 5 include this fact in the resolution passed under section 2.5 of this
 6 chapter.

7 (j) Notwithstanding any other provision of this chapter, if a
 8 designating body limits the time period during which an area is an
 9 economic revitalization area, that limitation does not:

10 (1) prevent a taxpayer from obtaining a deduction for new
 11 manufacturing equipment, new research and development
 12 equipment, new logistical distribution equipment, or new
 13 information technology equipment installed on or before the
 14 approval deadline determined under section 9 of this chapter, but
 15 after the expiration of the economic revitalization area if the new
 16 manufacturing equipment, new research and development
 17 equipment, new logistical distribution equipment, or new
 18 information technology equipment was described in a statement
 19 of benefits submitted to and approved by the designating body in
 20 accordance with section 4.5 of this chapter before the expiration
 21 of the economic revitalization area designation; or

22 (2) limit the length of time a taxpayer is entitled to receive a
 23 deduction to a number of years that is less than the number of
 24 years designated under section 17 of this chapter.

25 (k) In addition to the other requirements of this chapter, if property
 26 located in an economic revitalization area is also located in an
 27 allocation area (as defined in IC 36-7-14-39, **IC 36-7-14-39.8**, or
 28 IC 36-7-15.1-26), a taxpayer's statement of benefits concerning that
 29 property may not be approved under this chapter unless a resolution
 30 approving the statement of benefits is adopted by the legislative body
 31 of the unit that approved the designation of the allocation area.

32 SECTION 4. IC 6-1.1-20-1.6 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 1.6. As used in
 34 this chapter, "property taxes" means a property tax rate or levy to pay
 35 debt service or to pay lease rentals, but does not include taxes allocated
 36 for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9,
 37 IC 36-7-14-39, **IC 36-7-14-39.8**, IC 36-7-15.1-26, or IC 36-7-15.1-53.

38 SECTION 5. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008,
 39 SECTION 232, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2017]: Sec. 4. As used in this chapter,
 41 "base assessed value" means the base assessed value as that term is
 42 defined or used in:



- 1 (1) IC 6-1.1-39-5(h);
 2 (2) IC 8-22-3.5-9(a);
 3 (3) IC 8-22-3.5-9.5;
 4 (4) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
 5 (5) IC 36-7-14-39.2;
 6 (6) IC 36-7-14-39.3(c);
 7 **(7) IC 36-7-14-39.8(b)**;
 8 ~~(7)~~ **(8)** IC 36-7-14-48;
 9 ~~(8)~~ **(9)** IC 36-7-14.5-12.5;
 10 ~~(9)~~ **(10)** IC 36-7-15.1-26(a);
 11 ~~(10)~~ **(11)** IC 36-7-15.1-26.2(c);
 12 ~~(11)~~ **(12)** IC 36-7-15.1-35(a);
 13 ~~(12)~~ **(13)** IC 36-7-15.1-35.5;
 14 ~~(13)~~ **(14)** IC 36-7-15.1-53;
 15 ~~(14)~~ **(15)** IC 36-7-15.1-55(c);
 16 ~~(15)~~ **(16)** IC 36-7-30-25(a)(2);
 17 ~~(16)~~ **(17)** IC 36-7-30-26(c);
 18 ~~(17)~~ **(18)** IC 36-7-30.5-30; or
 19 ~~(18)~~ **(19)** IC 36-7-30.5-31.

20 SECTION 6. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,
 21 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JANUARY 1, 2017]: Sec. 7. As used in this chapter,
 23 "property taxes" means:

- 24 (1) property taxes, as defined in:
 25 (A) IC 6-1.1-39-5(g);
 26 (B) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
 27 (C) IC 36-7-14-39.2;
 28 (D) IC 36-7-14-39.3(c);
 29 **(E) IC 36-7-14-39.8(b)**;
 30 ~~(E)~~ **(F)** IC 36-7-14.5-12.5;
 31 ~~(F)~~ **(G)** IC 36-7-15.1-26(a);
 32 ~~(G)~~ **(H)** IC 36-7-15.1-26.2(c);
 33 ~~(H)~~ **(I)** IC 36-7-15.1-53(a);
 34 ~~(I)~~ **(J)** IC 36-7-15.1-55(c);
 35 ~~(J)~~ **(K)** IC 36-7-30-25(a)(3);
 36 ~~(K)~~ **(L)** IC 36-7-30-26(c);
 37 ~~(L)~~ **(M)** IC 36-7-30.5-30; or
 38 ~~(M)~~ **(N)** IC 36-7-30.5-31; or
 39 (2) for allocation areas created under IC 8-22-3.5, the taxes
 40 assessed on taxable tangible property in the allocation area.

41 SECTION 7. IC 6-1.1-21.2-8, AS AMENDED BY P.L.203-2011,
 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JANUARY 1, 2017]: Sec. 8. As used in this chapter, "special fund"
2 means:

- 3 (1) the special funds referred to in IC 6-1.1-39-5;
4 (2) the special funds referred to in IC 8-22-3.5-9(e);
5 (3) the allocation fund referred to in ~~IC 36-7-14-39(b)(3);~~
6 **IC 36-7-14-39(c)(3);**
7 **(4) the allocation fund referred to in IC 36-7-14-39.8(c)(3);**
8 ~~(4) (5) the allocation fund referred to in IC 36-7-14.5-12.5(d);~~
9 ~~(5) (6) the special fund referred to in IC 36-7-15.1-26(b)(3);~~
10 ~~(6) (7) the special fund referred to in IC 36-7-15.1-53(b)(3);~~
11 ~~(7) (8) the allocation fund referred to in IC 36-7-30-25(b)(3); or~~
12 ~~(8) (9) the allocation fund referred to in IC 36-7-30.5-30(b)(3).~~

13 SECTION 8. IC 36-1-7-15, AS AMENDED BY P.L.221-2007,
14 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2017]: Sec. 15. (a) As used in this section, "economic
16 development entity" means any of the following:

- 17 (1) A department of redevelopment organized under IC 36-7-14.
18 (2) A department of metropolitan development under
19 IC 36-7-15.1.
20 (3) A port authority organized under IC 8-10-5.
21 (4) An airport authority organized under IC 8-22-3.
22 (5) The Indiana finance authority.

23 (b) Notwithstanding section 2 of this chapter, two (2) or more
24 economic development entities may enter into a written agreement
25 under section 3 of this chapter if the agreement is approved by each
26 entity's governing body.

27 (c) A party to an agreement under this section may do one (1) or
28 more of the following:

- 29 (1) Except as provided in subsection (d), grant one (1) or more of
30 its powers to another party to the agreement.
31 (2) Exercise any power granted to it by a party to the agreement.
32 (3) Pledge any of its revenues, including taxes or allocated taxes
33 under IC 36-7-14, IC 36-7-15.1, or IC 8-22-3.5, to the bonds or
34 lease rental obligations of another party to the agreement under
35 IC 5-1-14-4.

36 (d) An economic development entity may not grant to another entity
37 the power to tax or to establish an allocation area under IC 8-22-3.5,
38 IC 36-7-14-39, **IC 36-7-14-39.8**, or IC 36-7-15.1.

39 (e) An agreement under this section does not have to comply with
40 section 3(a)(5) or 4 of this chapter.

41 (f) An action to challenge the validity of an agreement under this
42 section must be brought within thirty (30) days after the agreement has



1 been approved by all the parties to the agreement. After that period has
2 passed, the agreement is not contestable for any cause.

3 SECTION 9. IC 36-1-10-17 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 17. (a) A political
5 subdivision or agency that executes a lease under this chapter shall,
6 subject to subsection (d), make an annual appropriation and tax levy at
7 a rate to provide sufficient money to pay the rental payable from
8 property taxes stipulated in the lease.

9 (b) The appropriation and levy are subject to review by other bodies
10 that have the authority to ascertain that the levy is sufficient to raise the
11 amount required to pay the rental payable from property taxes under
12 the lease.

13 (c) The appropriation and levy may be reduced in any year to the
14 extent other money or any reimbursement under IC 36-7-14-39 **or**
15 **IC 36-7-14-39.8** are pledged or available for the payment of the lease
16 rental.

17 (d) A political subdivision or agency that executes a lease for a
18 transportation project may only levy a tax under this section for an
19 amount necessary to restore debt service reserve funds and may not
20 levy a tax for lease rental payments.

21 SECTION 10. IC 36-7-14-3.5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 3.5. (a) This
23 section applies whenever:

24 (1) a municipality with a redevelopment district is annexing an
25 area in a county; or

26 (2) a municipality establishes a redevelopment district;

27 after the county in which the municipality is located has established a
28 redevelopment district.

29 (b) This subsection applies whenever:

30 (1) the area to be annexed or to be included in the municipality's
31 district includes all or part of an allocation area established by a
32 county redevelopment commission for purposes of section 39 **or**
33 **39.8** of this chapter; and

34 (2) bonds or lease obligations are outstanding that are payable by
35 the county redevelopment commission in whole or in part from
36 property tax proceeds allocated from the allocation area under
37 section 39 **or 39.8** of this chapter.

38 The county redevelopment commission shall continue to receive
39 allocations of property tax proceeds from the area annexed or included
40 in the municipality's district for the commission's allocation fund as if
41 the annexation or establishment of the district had not occurred as long
42 as any bonds or lease obligations payable by the county from allocated



1 property tax proceeds are outstanding. After the final effectiveness of
2 the annexation or the establishment of the municipality's district, the
3 county redevelopment commission may not issue bonds or enter into
4 leases that are payable from allocated property tax proceeds from the
5 part of the allocation area annexed or included unless the legislative
6 body of the municipality adopts an ordinance approving the issuance
7 and this use of allocated property tax proceeds from that part of the
8 allocation area.

9 (c) This subsection applies whenever bonds or lease obligations are
10 outstanding that are payable by the county redevelopment commission
11 in whole or in part from the special tax levied under section 27 of this
12 chapter. The county redevelopment commission shall continue to levy
13 a special tax on property in the area annexed or included in the
14 municipality's district as long as any bonds or lease obligations payable
15 by the county are outstanding. After the final effectiveness of the
16 annexation or the establishment of the municipality's district, the
17 county redevelopment commission may not levy the special tax for new
18 bonds or lease obligations in the annexed or included area unless the
19 legislative body of the municipality adopts an ordinance approving the
20 levy.

21 SECTION 11. IC 36-7-14-13, AS AMENDED BY P.L.87-2015,
22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2017]: Sec. 13. (a) Not later than April 15 of each year,
24 the redevelopment commissioners or their designees shall file with the
25 unit's executive and fiscal body a report setting out their activities
26 during the preceding calendar year.

27 (b) The report of the commissioners of a municipal redevelopment
28 commission must show the names of the then qualified and acting
29 commissioners, the names of the officers of that body, the number of
30 regular employees and their fixed salaries or compensation, the amount
31 of the expenditures made during the preceding year and their general
32 purpose, an accounting of the tax increment revenues expended by any
33 entity receiving the tax increment revenues as a grant or loan from the
34 commission, the amount of funds on hand at the close of the calendar
35 year, and other information necessary to disclose the activities of the
36 commissioners and the results obtained.

37 (c) The report of the commissioners of a county redevelopment
38 commission must show all the information required by subsection (b),
39 plus the names of any commissioners appointed to or removed from
40 office during the preceding calendar year.

41 (d) A copy of each report filed under this section must be submitted
42 to the department of local government finance in an electronic format.



1 (e) The report required under subsection (a) must also include the
2 following information set forth for each tax increment financing district
3 regarding the previous year:

- 4 (1) Revenues received.
- 5 (2) Expenses paid.
- 6 (3) Fund balances.
- 7 (4) The amount and maturity date for all outstanding obligations.
- 8 (5) The amount paid on outstanding obligations.

9 **(6) For a tax increment financing district to which section 39**
10 **of this chapter applies,** a list of all the parcels included in each
11 tax increment financing district allocation area and the base
12 assessed value and incremental assessed value for each parcel in
13 the list.

14 **(7) For a tax increment financing district to which section 39.8**
15 **of this chapter applies, for each participating taxing unit (as**
16 **defined in section 39.8(b) of this chapter), a list of all the**
17 **parcels of the participating taxing unit that are included in**
18 **each tax increment financing district allocation area and the**
19 **base assessed value and incremental assessed value for each**
20 **parcel in the list.**

21 (f) A redevelopment commission and a department of
22 redevelopment are subject to the same laws, rules, and ordinances of
23 a general nature that apply to all other commissions or departments of
24 the unit.

25 SECTION 12. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,
26 SECTION 206, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE JANUARY 1, 2017]: Sec. 15.5. (a) This section applies
28 to a county having a population of more than two hundred fifty
29 thousand (250,000) but less than two hundred seventy thousand
30 (270,000).

31 (b) In adopting a declaratory resolution under section 15 of this
32 chapter, a redevelopment commission may include a provision stating
33 that the redevelopment project area is considered to include one (1) or
34 more additional areas outside the boundaries of the redevelopment
35 project area if the redevelopment commission makes the following
36 findings and the requirements of subsection (c) are met:

- 37 (1) One (1) or more taxpayers presently located within the
38 boundaries of the redevelopment project area are expected within
39 one (1) year to relocate all or part of their operations outside the
40 boundaries of the redevelopment project area and have expressed
41 an interest in relocating all or part of their operations within the
42 boundaries of an additional area.



- 1 (2) The relocation described in subdivision (1) will contribute to
 2 the continuation of the conditions described in IC 36-7-1-3 in the
 3 redevelopment project area.
- 4 (3) For purposes of this section, it will be of public utility and
 5 benefit to include the additional areas as part of the
 6 redevelopment project area.
- 7 (c) Each additional area must be designated by the redevelopment
 8 commission as a redevelopment project area or an economic
 9 development area under this chapter.
- 10 (d) Notwithstanding section 3 of this chapter, the additional areas
 11 shall be considered to be a part of the redevelopment special taxing
 12 district under the jurisdiction of the redevelopment commission. Any
 13 excess property taxes that the commission has determined may be paid
 14 to taxing units under section ~~39(b)(4)~~ **39(c)(4) or 39.8(c)(4)** of this
 15 chapter shall be paid to the taxing units from which the excess property
 16 taxes were derived. All powers of the redevelopment commission
 17 authorized under this chapter may be exercised by the redevelopment
 18 commission in additional areas under its jurisdiction.
- 19 (e) The declaratory resolution must include a statement of the
 20 general boundaries of each additional area. However, it is sufficient to
 21 describe those boundaries by location in relation to public ways,
 22 streams, or otherwise, as determined by the commissioners.
- 23 (f) The declaratory resolution may include a provision with respect
 24 to the allocation and distribution of property taxes with respect to one
 25 (1) or more of the additional areas in the manner provided in section 39
 26 **or 39.8** of this chapter. If the redevelopment commission includes such
 27 a provision in the resolution, allocation areas in the redevelopment
 28 project area and in the additional areas considered to be part of the
 29 redevelopment project area shall be considered a single allocation area
 30 for purposes of this chapter.
- 31 (g) The additional areas must be located within the same county as
 32 the redevelopment project area but are not otherwise required to be
 33 within the jurisdiction of the redevelopment commission, if the
 34 redevelopment commission obtains the consent by ordinance of:
 35 (1) the county legislative body, for each additional area located
 36 within the unincorporated part of the county; or
 37 (2) the legislative body of the city or town affected, for each
 38 additional area located within a city or town.
- 39 In granting its consent, the legislative body shall approve the plan of
 40 development or redevelopment relating to the additional area.
- 41 (h) A declaratory resolution previously adopted may be amended to
 42 include a provision to include additional areas as set forth in this



1 section and an allocation provision under section 39 **or 39.8** of this
 2 chapter with respect to one (1) or more of the additional areas in
 3 accordance with sections 15, 16, and 17 of this chapter.

4 (i) The redevelopment commission may amend the allocation
 5 provision of a declaratory resolution in accordance with sections 15,
 6 16, and 17 of this chapter to change the assessment date that
 7 determines the base assessed value of property in the allocation area to
 8 any assessment date following the effective date of the allocation
 9 provision of the declaratory resolution. Such a change may relate to the
 10 assessment date that determines the base assessed value of that portion
 11 of the allocation area that is located in the redevelopment project area
 12 alone, that portion of the allocation area that is located in an additional
 13 area alone, or the entire allocation area.

14 SECTION 13. IC 36-7-14-17, AS AMENDED BY P.L.146-2008,
 15 SECTION 728, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2017]: Sec. 17. (a) After receipt of the
 17 written order of approval of the plan commission and approval of the
 18 municipal legislative body or county executive, the redevelopment
 19 commission shall publish notice of the adoption and substance of the
 20 resolution in accordance with IC 5-3-1. The notice must:

21 (1) state that maps and plats have been prepared and can be
 22 inspected at the office of the department; and

23 (2) name a date when the commission will:

24 (A) receive and hear remonstrances and objections from
 25 persons interested in or affected by the proceedings pertaining
 26 to the proposed project or other actions to be taken under the
 27 resolution; and

28 (B) determine the public utility and benefit of the proposed
 29 project or other actions.

30 All persons affected in any manner by the hearing, including all
 31 taxpayers of the special taxing district, shall be considered notified of
 32 the pendency of the hearing and of subsequent acts, hearings,
 33 adjournments, and orders of the commission by the notice given under
 34 this section.

35 (b) A copy of the notice of the hearing on the resolution shall be
 36 filed in the office of the unit's plan commission, board of zoning
 37 appeals, works board, park board, and building commissioner, and any
 38 other departments, bodies, or officers of the unit having to do with unit
 39 planning, variances from zoning ordinances, land use, or the issuance
 40 of building permits. These agencies and officers shall take notice of the
 41 pendency of the hearing and, until the commission confirms, modifies
 42 and confirms, or rescinds the resolution, or the confirmation of the



1 resolution is set aside on appeal, may not:

- 2 (1) authorize any construction on property or sewers in the area
 3 described in the resolution, including substantial modifications,
 4 rebuilding, conversion, enlargement, additions, and major
 5 structural improvements; or
 6 (2) take any action regarding the zoning or rezoning of property,
 7 or the opening, closing, or improvement of streets, alleys, or
 8 boulevards in the area described in the resolution.

9 This subsection does not prohibit the granting of permits for ordinary
 10 maintenance or minor remodeling, or for changes necessary for the
 11 continued occupancy of buildings in the area.

12 (c) If the resolution to be considered at the hearing includes a
 13 provision establishing or amending an allocation provision under
 14 section 39 or 39.8 of this chapter, the redevelopment commission shall
 15 file the following information with each taxing unit that is wholly or
 16 partly located within the allocation area:

- 17 (1) A copy of the notice required by subsection (a).
 18 (2) A statement disclosing the impact of the allocation area,
 19 including the following:
 20 (A) The estimated economic benefits and costs incurred by the
 21 allocation area, as measured by increased employment and
 22 anticipated growth of real
 23 property assessed values.
 24 (B) The anticipated impact on tax revenues of each taxing unit.

25 **If the resolution to be considered at the hearing includes a**
 26 **provision establishing or amending an allocation provision to**
 27 **which section 39 of this chapter applies, the redevelopment**
 28 **commission shall file the information required by this subsection with**
 29 **the officers of the taxing unit who are authorized to fix budgets, tax**
 30 **rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before**
 31 **the date of the hearing. If the resolution to be considered at the**
 32 **hearing includes a provision establishing or amending an allocation**
 33 **provision to which section 39.8 of this chapter applies, the**
 34 **redevelopment commission shall file the information required by**
 35 **this subsection with the officers of the taxing unit who are**
 36 **authorized to fix budgets, tax rates, and tax levies under**
 37 **IC 6-1.1-17-5 at least ninety (90) days before the date of the**
 38 **hearing. If the resolution to be considered at the hearing includes**
 39 **a provision establishing or amending an allocation provision to**
 40 **which section 39.8 of this chapter applies, the redevelopment**
 41 **commission shall prepare the statement required under subdivision**
 42 **(2) assuming that each taxing unit will elect to be subject to the**



1 allocation provision as provided in subsection (d).

2 (d) This subsection applies if the resolution to be considered at
 3 the hearing includes a provision establishing or amending an
 4 allocation provision to which section 39.8 of this chapter applies.
 5 If a taxing unit is wholly or partly located in a proposed allocation
 6 area that is referred to in an allocation provision of the resolution
 7 to be considered at the hearing scheduled under subsection (c), the
 8 fiscal body of the taxing unit may adopt a resolution electing to be
 9 subject to the allocation provision. If the fiscal body of the taxing
 10 unit adopts a resolution electing to be subject to the proposed
 11 allocation provision, the fiscal body shall deliver a copy of the
 12 resolution to the redevelopment commission before the hearing
 13 date specified in the notice given to the taxing unit under
 14 subsection (c)(1). A taxing unit that is wholly or partly located in
 15 a proposed allocation area is not subject to the proposed allocation
 16 provision unless:

17 (1) the fiscal body of a taxing unit adopts a resolution electing
 18 to be subject to the proposed allocation provision in the
 19 resolution to be considered at the hearing; and

20 (2) the allocation provision in the resolution to be considered
 21 at the hearing is adopted by the redevelopment commission as
 22 provided in subsection (e).

23 If a taxing unit elects to be bound by an allocation provision and
 24 the redevelopment commission adopts the resolution containing the
 25 allocation provision as provided in subsection (e), the taxing unit
 26 is bound by the allocation provision as amended from time to time
 27 until the allocation provision terminates.

28 (e) At the hearing, which may be adjourned from time to time,
 29 the redevelopment commission shall hear all persons interested in the
 30 proceedings and shall consider all written remonstrances and
 31 objections that have been filed. After considering the evidence
 32 presented, the commission shall take final action determining the
 33 public utility and benefit of the proposed project or other actions to be
 34 taken under the resolution, and confirming, modifying and confirming,
 35 or rescinding the resolution. The final action taken by the commission
 36 shall be recorded and is final and conclusive, except that an appeal may
 37 be taken in the manner prescribed by section 18 of this chapter.

38 SECTION 14. IC 36-7-14-25.1, AS AMENDED BY P.L.149-2014,
 39 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2017]: Sec. 25.1. (a) In addition to other methods of
 41 raising money for property acquisition or redevelopment in a
 42 redevelopment project area, and in anticipation of the special tax to be



1 levied under section 27 of this chapter, the taxes allocated under
 2 section 39 or 39.8 of this chapter, or other revenues of the district, or
 3 any combination of these sources, the redevelopment commission may,
 4 by bond resolution and subject to subsections (c) and (p), issue the
 5 bonds of the special taxing district in the name of the unit. The amount
 6 of the bonds may not exceed the total, as estimated by the commission,
 7 of all expenses reasonably incurred in connection with the acquisition
 8 and redevelopment of the property, including:

- 9 (1) the total cost of all land, rights-of-way, and other property to
 10 be acquired and redeveloped;
 11 (2) all reasonable and necessary architectural, engineering, legal,
 12 financing, accounting, advertising, bond discount, and
 13 supervisory expenses related to the acquisition and redevelopment
 14 of the property or the issuance of bonds;
 15 (3) capitalized interest permitted by this chapter and a debt
 16 service reserve for the bonds to the extent the redevelopment
 17 commission determines that a reserve is reasonably required; and
 18 (4) expenses that the redevelopment commission is required or
 19 permitted to pay under IC 8-23-17.

20 (b) If the redevelopment commission plans to acquire different
 21 parcels of land or let different contracts for redevelopment work at
 22 approximately the same time, whether under one (1) or more
 23 resolutions, the commission may provide for the total cost in one (1)
 24 issue of bonds.

25 (c) The legislative body of the unit must adopt a resolution that
 26 specifies the public purpose of the bond, the use of the bond proceeds,
 27 the maximum principal amount of the bond, the term of the bond, and
 28 the maximum interest rate or rates of the bond, any provision for
 29 redemption before maturity, and any provision for the payment of
 30 capitalized interest. The bonds must be dated as set forth in the bond
 31 resolution and negotiable, subject to the requirements of the bond
 32 resolution for registering the bonds. The resolution authorizing the
 33 bonds must state:

- 34 (1) the denominations of the bonds;
 35 (2) the place or places at which the bonds are payable; and
 36 (3) the term of the bonds, which may not exceed:
 37 (A) fifty (50) years, for bonds issued before July 1, 2008;
 38 (B) thirty (30) years, for bonds issued after June 30, 2008, to
 39 finance:
 40 (i) an integrated coal gasification powerplant (as defined in
 41 IC 6-3.1-29-6);
 42 (ii) a part of an integrated coal gasification powerplant (as



- 1 defined in IC 6-3.1-29-6); or
 2 (iii) property used in the operation or maintenance of an
 3 integrated coal gasification powerplant (as defined in
 4 IC 6-3.1-29-6);
 5 that received a certificate of public convenience and necessity
 6 from the Indiana utility regulatory commission under
 7 IC 8-1-8.5 et seq. before July 1, 2008; or
 8 (C) twenty-five (25) years, for bonds issued after June 30,
 9 2008, that are not described in clause (B).
- 10 The bond resolution may also state that the bonds are redeemable
 11 before maturity with or without a premium, as determined by the
 12 redevelopment commission.
- 13 (d) The redevelopment commission shall certify a copy of the
 14 resolution authorizing the bonds to the municipal or county fiscal
 15 officer, who shall then prepare the bonds, subject to subsections (c) and
 16 (p). The seal of the unit must be impressed on the bonds, or a facsimile
 17 of the seal must be printed on the bonds.
- 18 (e) The bonds must be executed by the appropriate officer of the
 19 unit and attested by the municipal or county fiscal officer.
- 20 (f) The bonds are exempt from taxation for all purposes.
- 21 (g) The municipal or county fiscal officer shall give notice of the
 22 sale of the bonds by publication in accordance with IC 5-3-1. The
 23 municipal fiscal officer, or county fiscal officer or executive, shall sell
 24 the bonds to the highest bidder, but may not sell them for less than
 25 ninety-seven percent (97%) of their par value. However, bonds payable
 26 solely or in part from tax proceeds allocated under section ~~39(b)(3)~~
 27 **39(c)(3) or 39.8(c)(3)** of this chapter, or other revenues of the district
 28 may be sold at a private negotiated sale.
- 29 (h) Except as provided in subsection (i), a redevelopment
 30 commission may not issue the bonds when the total issue, including
 31 bonds already issued and to be issued, exceeds two percent (2%) of the
 32 adjusted value of the taxable property in the special taxing district, as
 33 determined under IC 36-1-15.
- 34 (i) The bonds are not a corporate obligation of the unit but are an
 35 indebtedness of the taxing district. The bonds and interest are payable,
 36 as set forth in the bond resolution of the redevelopment commission:
 37 (1) from a special tax levied upon all of the property in the taxing
 38 district, as provided by section 27 of this chapter;
 39 (2) from the tax proceeds allocated under section ~~39(b)(3)~~
 40 **39(c)(3) or 39.8(c)(3)** of this chapter;
 41 (3) from other revenues available to the redevelopment
 42 commission; or



- 1 (4) from a combination of the methods stated in subdivisions (1)
 2 through (3).
 3 If the bonds are payable solely from the tax proceeds allocated under
 4 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter, other revenues
 5 of the redevelopment commission, or any combination of these sources,
 6 they may be issued in any amount not to exceed the maximum amount
 7 approved by the legislative body in the resolution described in
 8 subsection (c).
 9 (j) Proceeds from the sale of bonds may be used to pay the cost of
 10 interest on the bonds for a period not to exceed five (5) years from the
 11 date of issuance.
 12 (k) All laws relating to the giving of notice of the issuance of bonds,
 13 the giving of notice of a hearing on the appropriation of the proceeds
 14 of the bonds, the right of taxpayers to appear and be heard on the
 15 proposed appropriation, and the approval of the appropriation by the
 16 department of local government finance apply to all bonds issued under
 17 this chapter that are payable from the special benefits tax levied
 18 pursuant to section 27 of this chapter or from taxes allocated under
 19 section 39 **or 39.8** of this chapter.
 20 (l) All laws relating to:
 21 (1) the filing of petitions requesting the issuance of bonds; and
 22 (2) the right of:
 23 (A) taxpayers and voters to remonstrate against the issuance of
 24 bonds in the case of a proposed bond issue described by
 25 IC 6-1.1-20-3.1(a); or
 26 (B) voters to vote on the issuance of bonds in the case of a
 27 proposed bond issue described by IC 6-1.1-20-3.5(a);
 28 apply to bonds issued under this chapter except for bonds payable
 29 solely from tax proceeds allocated under section ~~39(b)(3)~~ **39(c)(3) or**
 30 **39.8(c)(3)** of this chapter, other revenues of the redevelopment
 31 commission, or any combination of these sources.
 32 (m) If a debt service reserve is created from the proceeds of bonds,
 33 the debt service reserve may be used to pay principal and interest on
 34 the bonds as provided in the bond resolution.
 35 (n) Any amount remaining in the debt service reserve after all of the
 36 bonds of the issue for which the debt service reserve was established
 37 have matured shall be:
 38 (1) deposited in the allocation fund established under section
 39 ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and
 40 (2) to the extent permitted by law, transferred to the county or
 41 municipality that established the department of redevelopment for
 42 use in reducing the county's or municipality's property tax levies



1 for debt service.
 2 (o) If bonds are issued under this chapter that are payable solely or
 3 in part from revenues to the redevelopment commission from a project
 4 or projects, the redevelopment commission may adopt a resolution or
 5 trust indenture or enter into covenants as is customary in the issuance
 6 of revenue bonds. The resolution or trust indenture may pledge or
 7 assign the revenues from the project or projects, but may not convey or
 8 mortgage any project or parts of a project. The resolution or trust
 9 indenture may also contain any provisions for protecting and enforcing
 10 the rights and remedies of the bond owners as may be reasonable and
 11 proper and not in violation of law, including covenants setting forth the
 12 duties of the redevelopment commission. The redevelopment
 13 commission may establish fees and charges for the use of any project
 14 and covenant with the owners of any bonds to set those fees and
 15 charges at a rate sufficient to protect the interest of the owners of the
 16 bonds. Any revenue bonds issued by the redevelopment commission
 17 that are payable solely from revenues of the commission shall contain
 18 a statement to that effect in the form of bond.

19 (p) If the total principal amount of bonds authorized by a resolution
 20 of the redevelopment commission adopted before July 1, 2008, is equal
 21 to or greater than three million dollars (\$3,000,000), the bonds may not
 22 be issued without the approval, by resolution, of the legislative body of
 23 the unit. Bonds authorized in any principal amount by a resolution of
 24 the redevelopment commission adopted after June 30, 2008, may not
 25 be issued without the approval of the legislative body of the unit.

26 SECTION 15. IC 36-7-14-25.2, AS AMENDED BY P.L.149-2014,
 27 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2017]: Sec. 25.2. (a) Subject to the prior approval of the
 29 fiscal body of the unit under subsection (c), a redevelopment
 30 commission may enter into a lease of any property that could be
 31 financed with the proceeds of bonds issued under this chapter with a
 32 lessor for a term not to exceed:

- 33 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
 34 (2) twenty-five (25) years, for a lease entered into after June 30,
 35 2008.

36 The lease may provide for payments to be made by the redevelopment
 37 commission from special benefits taxes levied under section 27 of this
 38 chapter, taxes allocated under section 39 **or 39.8** of this chapter, any
 39 other revenues available to the redevelopment commission, or any
 40 combination of these sources.

41 (b) A lease may provide that payments by the redevelopment
 42 commission to the lessor are required only to the extent and only for the



1 period that the lessor is able to provide the leased facilities in
2 accordance with the lease. The terms of each lease must be based upon
3 the value of the facilities leased and may not create a debt of the unit
4 or the district for purposes of the Constitution of the State of Indiana.

5 (c) A lease may be entered into by the redevelopment commission
6 only after a public hearing by the redevelopment commission at which
7 all interested parties are provided the opportunity to be heard. After the
8 public hearing, the redevelopment commission may adopt a resolution
9 authorizing the execution of the lease on behalf of the unit if it finds
10 that the service to be provided throughout the term of the lease will
11 serve the public purpose of the unit and is in the best interests of its
12 residents. Any lease approved by a resolution of the redevelopment
13 commission must also be approved by an ordinance or resolution of the
14 fiscal body of the unit. The approving ordinance or resolution of the
15 fiscal body must include the following:

16 (1) The maximum annual lease rental for the lease.

17 (2) The maximum interest rate or rates, any provisions for
18 redemption before maturity, and any provisions for the payment
19 of capitalized interest associated with the lease.

20 (3) The maximum term of the lease.

21 (d) Upon execution of a lease providing for payments by the
22 redevelopment commission in whole or in part from the levy of special
23 benefits taxes under section 27 of this chapter and upon approval of the
24 lease by the unit's fiscal body, the redevelopment commission shall
25 publish notice of the execution of the lease and its approval in
26 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
27 redevelopment district who will be affected by the lease and who may
28 be of the opinion that no necessity exists for the execution of the lease
29 or that the payments provided for in the lease are not fair and
30 reasonable may file a petition in the office of the county auditor within
31 thirty (30) days after the publication of the notice of execution and
32 approval. The petition must set forth the petitioners' names, addresses,
33 and objections to the lease and the facts showing that the execution of
34 the lease is unnecessary or unwise or that the payments provided for in
35 the lease are not fair and reasonable, as the case may be.

36 (e) Upon the filing of the petition, the county auditor shall
37 immediately certify a copy of it, together with such other data as may
38 be necessary in order to present the questions involved, to the
39 department of local government finance. Upon receipt of the certified
40 petition and information, the department of local government finance
41 shall fix a time and place for a hearing in the redevelopment district,
42 which must be not less than five (5) or more than thirty (30) days after



1 the time is fixed. Notice of the hearing shall be given by the department
2 of local government finance to the members of the fiscal body, to the
3 redevelopment commission, and to the first fifty (50) petitioners on the
4 petition by a letter signed by the commissioner or deputy commissioner
5 of the department and enclosed with fully prepaid postage sent to those
6 persons at their usual place of residence, at least five (5) days before
7 the date of the hearing. The decision of the department of local
8 government finance on the appeal, upon the necessity for the execution
9 of the lease, and as to whether the payments under it are fair and
10 reasonable, is final.

11 (f) A redevelopment commission entering into a lease payable from
12 allocated taxes under section 39 **or 39.8** of this chapter or other
13 available funds of the redevelopment commission may:

14 (1) pledge the revenue to make payments under the lease pursuant
15 to IC 5-1-14-4; and

16 (2) establish a special fund to make the payments.

17 (g) Lease rentals may be limited to money in the special fund so that
18 the obligations of the redevelopment commission to make the lease
19 rental payments are not considered debt of the unit or the district for
20 purposes of the Constitution of the State of Indiana.

21 (h) Except as provided in this section, no approvals of any
22 governmental body or agency are required before the redevelopment
23 commission enters into a lease under this section.

24 (i) An action to contest the validity of the lease or to enjoin the
25 performance of any of its terms and conditions must be brought within
26 thirty (30) days after the publication of the notice of the execution and
27 approval of the lease. However, if the lease is payable in whole or in
28 part from tax levies and an appeal has been taken to the department of
29 local government finance, an action to contest the validity or enjoin the
30 performance must be brought within thirty (30) days after the decision
31 of the department.

32 (j) If a redevelopment commission exercises an option to buy a
33 leased facility from a lessor, the redevelopment commission may
34 subsequently sell the leased facility, without regard to any other statute,
35 to the lessor at the end of the lease term at a price set forth in the lease
36 or at fair market value established at the time of the sale by the
37 redevelopment commission through auction, appraisal, or arms length
38 negotiation. If the facility is sold at auction, after appraisal, or through
39 negotiation, the redevelopment commission shall conduct a hearing
40 after public notice in accordance with IC 5-3-1 before the sale. Any
41 action to contest the sale must be brought within fifteen (15) days of
42 the hearing.



1 SECTION 16. IC 36-7-14-26, AS AMENDED BY P.L.203-2011,
 2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2017]: Sec. 26. (a) All proceeds from the sale of bonds
 4 under section 25.1 of this chapter shall be kept as a separate and
 5 specific fund to pay the expenses incurred in connection with the
 6 acquisition and redevelopment of property. The fund shall be known as
 7 the redevelopment district capital fund. Any surplus of funds remaining
 8 after all expenses are paid shall be paid into and become a part of the
 9 redevelopment district bond fund established under section 27 of this
 10 chapter.

11 (b) All gifts or donations that are given or paid to the department of
 12 redevelopment or to the unit for redevelopment purposes shall be
 13 promptly deposited to the credit of the redevelopment district capital
 14 fund. The redevelopment commission may use these gifts and
 15 donations for the purposes of this chapter.

16 (c) Before the eleventh day of each calendar month the fiscal officer
 17 shall notify the redevelopment commission and the officers of the unit
 18 who have duties in respect to the funds and accounts of the unit of the
 19 amount standing to the credit of the redevelopment district capital fund
 20 at the close of business on the last day of the preceding month.

21 (d) A redevelopment commission shall deposit in the allocation fund
 22 established under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter
 23 of an allocation area the proceeds from the sale or leasing of property
 24 in the area under section 22 of this chapter if:

- 25 (1) there are outstanding bonds that were issued to pay costs of
- 26 redevelopment in the allocation area; and
- 27 (2) the bonds are payable solely or in part from tax proceeds
- 28 allocated under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
- 29 chapter.

30 SECTION 17. IC 36-7-14-27, AS AMENDED BY P.L.149-2014,
 31 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JANUARY 1, 2017]: Sec. 27. (a) This section applies only to:

- 33 (1) bonds that are issued under section 25.1 of this chapter; and
- 34 (2) leases entered into under section 25.2 of this chapter;

35 which are payable from a special tax levied upon all of the property in
 36 the special taxing district. This section does not apply to bonds or
 37 leases that are payable solely from tax proceeds allocated under section
 38 ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter, other revenues of the
 39 redevelopment commission, or any combination of these sources.

40 (b) The redevelopment commission, with the prior approval of the
 41 legislative body, shall levy each year a special tax on all of the property
 42 of the redevelopment taxing district, in such a manner as to meet and



1 pay the principal of the bonds as they mature, together with all accruing
 2 interest on the bonds or lease rental payments under section 25.2 of this
 3 chapter. The commission shall cause the tax levied to be certified to the
 4 proper officers as other tax levies are certified, and to the auditor of the
 5 county in which the redevelopment district is located, before the
 6 second day of October in each year. The tax shall be estimated and
 7 entered on the tax duplicate by the county auditor and shall be collected
 8 and enforced by the county treasurer in the same manner as other state
 9 and county taxes are estimated, entered, collected, and enforced. The
 10 amount of the tax levied to pay bonds or lease rentals payable from the
 11 tax levied under this section shall be reduced by any amount available
 12 in the allocation fund established under section ~~39(b)(3)~~ **39(c)(3) or**
 13 **39.8(c)(3)** of this chapter or other revenues of the redevelopment
 14 commission to the extent such revenues have been set aside in the
 15 redevelopment bond fund.

16 (c) As the tax is collected, it shall be accumulated in a separate fund
 17 to be known as the redevelopment district bond fund and shall be
 18 applied to the payment of the bonds as they mature and the interest on
 19 the bonds as it accrues, or to make lease payments and to no other
 20 purpose. All accumulations of the fund before their use for the payment
 21 of bonds and interest or to make lease payments shall be deposited with
 22 the depository or depositories for other public funds of the unit in
 23 accordance with IC 5-13, unless they are invested under IC 5-13-9.

24 (d) If there are no outstanding bonds that are payable solely or in
 25 part from tax proceeds allocated under section ~~39(b)(3)~~ **39(c)(3) or**
 26 **39.8(c)(3)** of this chapter and that were issued to pay costs of
 27 redevelopment in an allocation area that is located wholly or in part in
 28 the special taxing district, then all proceeds from the sale or leasing of
 29 property in the allocation area under section 22 of this chapter shall be
 30 paid into the redevelopment district bond fund and become a part of
 31 that fund. In arriving at the tax levy for any year, the redevelopment
 32 commission shall take into account the amount of the proceeds
 33 deposited under this subsection and remaining on hand.

34 (e) The tax levies provided for in this section are reviewable by
 35 other bodies vested by law with the authority to ascertain that the levies
 36 are sufficient to raise the amount that, with other amounts available, is
 37 sufficient to meet the payments under the lease payable from the levy
 38 of taxes.

39 SECTION 18. IC 36-7-14-39, AS AMENDED BY P.L.87-2015,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2017]: Sec. 39. **(a) This section applies only to an**
 42 **allocation area initially established before January 1, 2017, and all**



1 **subsequent amendments to the allocation provision for the**
 2 **allocation area.**

3 ~~(a)~~ **(b)** As used in this section:

4 "Allocation area" means that part of a redevelopment project area
 5 to which an allocation provision of a declaratory resolution adopted
 6 under section 15 of this chapter refers for purposes of distribution and
 7 allocation of property taxes.

8 "Base assessed value" means the following:

9 (1) If an allocation provision is adopted after June 30, 1995, in a
 10 declaratory resolution or an amendment to a declaratory
 11 resolution establishing an economic development area:

12 (A) the net assessed value of all the property as finally
 13 determined for the assessment date immediately preceding the
 14 effective date of the allocation provision of the declaratory
 15 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

16 (B) to the extent that it is not included in clause (A), the net
 17 assessed value of property that is assessed as residential
 18 property under the rules of the department of local government
 19 finance, as finally determined for any assessment date after the
 20 effective date of the allocation provision.

21 (2) If an allocation provision is adopted after June 30, 1997, in a
 22 declaratory resolution or an amendment to a declaratory
 23 resolution establishing a redevelopment project area:

24 (A) the net assessed value of all the property as finally
 25 determined for the assessment date immediately preceding the
 26 effective date of the allocation provision of the declaratory
 27 resolution, as adjusted under subsection ~~(h)~~; **(i)**; plus

28 (B) to the extent that it is not included in clause (A), the net
 29 assessed value of property that is assessed as residential
 30 property under the rules of the department of local government
 31 finance, as finally determined for any assessment date after the
 32 effective date of the allocation provision.

33 (3) If:

34 (A) an allocation provision adopted before June 30, 1995, in
 35 a declaratory resolution or an amendment to a declaratory
 36 resolution establishing a redevelopment project area expires
 37 after June 30, 1997; and

38 (B) after June 30, 1997, a new allocation provision is included
 39 in an amendment to the declaratory resolution;

40 the net assessed value of all the property as finally determined for
 41 the assessment date immediately preceding the effective date of
 42 the allocation provision adopted after June 30, 1997, as adjusted



1 under subsection ~~(h)~~: **(i)**.
 2 (4) Except as provided in subdivision (5), for all other allocation
 3 areas, the net assessed value of all the property as finally
 4 determined for the assessment date immediately preceding the
 5 effective date of the allocation provision of the declaratory
 6 resolution, as adjusted under subsection ~~(h)~~: **(i)**.
 7 (5) If an allocation area established in an economic development
 8 area before July 1, 1995, is expanded after June 30, 1995, the
 9 definition in subdivision (1) applies to the expanded part of the
 10 area added after June 30, 1995.
 11 (6) If an allocation area established in a redevelopment project
 12 area before July 1, 1997, is expanded after June 30, 1997, the
 13 definition in subdivision (2) applies to the expanded part of the
 14 area added after June 30, 1997.

15 Except as provided in section 39.3 of this chapter, "property taxes"
 16 means taxes imposed under IC 6-1.1 on real property. However, upon
 17 approval by a resolution of the redevelopment commission adopted
 18 before June 1, 1987, "property taxes" also includes taxes imposed
 19 under IC 6-1.1 on depreciable personal property. If a redevelopment
 20 commission adopted before June 1, 1987, a resolution to include within
 21 the definition of property taxes, taxes imposed under IC 6-1.1 on
 22 depreciable personal property that has a useful life in excess of eight
 23 (8) years, the commission may by resolution determine the percentage
 24 of taxes imposed under IC 6-1.1 on all depreciable personal property
 25 that will be included within the definition of property taxes. However,
 26 the percentage included must not exceed twenty-five percent (25%) of
 27 the taxes imposed under IC 6-1.1 on all depreciable personal property.

28 ~~(b)~~ **(c)** A declaratory resolution adopted under section 15 of this
 29 chapter on or before the allocation deadline determined under
 30 subsection ~~(f)~~ **(j)** may include a provision with respect to the allocation
 31 and distribution of property taxes for the purposes and in the manner
 32 provided in this section. A declaratory resolution previously adopted
 33 may include an allocation provision by the amendment of that
 34 declaratory resolution on or before the allocation deadline determined
 35 under subsection ~~(f)~~ **(j)** in accordance with the procedures required for
 36 its original adoption. A declaratory resolution or amendment that
 37 establishes an allocation provision must include a specific finding of
 38 fact, supported by evidence, that the adoption of the allocation
 39 provision will result in new property taxes in the area that would not
 40 have been generated but for the adoption of the allocation provision.
 41 For an allocation area established before July 1, 1995, the expiration
 42 date of any allocation provisions for the allocation area is June 30,



1 2025, or the last date of any obligations that are outstanding on July 1,
 2 2015, whichever is later. A declaratory resolution or an amendment
 3 that establishes an allocation provision after June 30, 1995, must
 4 specify an expiration date for the allocation provision. For an allocation
 5 area established before July 1, 2008, the expiration date may not be
 6 more than thirty (30) years after the date on which the allocation
 7 provision is established. For an allocation area established after June
 8 30, 2008, the expiration date may not be more than twenty-five (25)
 9 years after the date on which the first obligation was incurred to pay
 10 principal and interest on bonds or lease rentals on leases payable from
 11 tax increment revenues. However, with respect to bonds or other
 12 obligations that were issued before July 1, 2008, if any of the bonds or
 13 other obligations that were scheduled when issued to mature before the
 14 specified expiration date and that are payable only from allocated tax
 15 proceeds with respect to the allocation area remain outstanding as of
 16 the expiration date, the allocation provision does not expire until all of
 17 the bonds or other obligations are no longer outstanding. The allocation
 18 provision may apply to all or part of the redevelopment project area.
 19 The allocation provision must require that any property taxes
 20 subsequently levied by or for the benefit of any public body entitled to
 21 a distribution of property taxes on taxable property in the allocation
 22 area be allocated and distributed as follows:

23 (1) Except as otherwise provided in this section, the proceeds of
 24 the taxes attributable to the lesser of:

25 (A) the assessed value of the property for the assessment date
 26 with respect to which the allocation and distribution is made;

27 or

28 (B) the base assessed value;

29 shall be allocated to and, when collected, paid into the funds of
 30 the respective taxing units.

31 (2) The excess of the proceeds of the property taxes imposed for
 32 the assessment date with respect to which the allocation and
 33 distribution is made that are attributable to taxes imposed after
 34 being approved by the voters in a referendum or local public
 35 question conducted after April 30, 2010, not otherwise included
 36 in subdivision (1) shall be allocated to and, when collected, paid
 37 into the funds of the taxing unit for which the referendum or local
 38 public question was conducted.

39 (3) Except as otherwise provided in this section, property tax
 40 proceeds in excess of those described in subdivisions (1) and (2)
 41 shall be allocated to the redevelopment district and, when
 42 collected, paid into an allocation fund for that allocation area that



1 may be used by the redevelopment district only to do one (1) or
2 more of the following:

3 (A) Pay the principal of and interest on any obligations
4 payable solely from allocated tax proceeds which are incurred
5 by the redevelopment district for the purpose of financing or
6 refinancing the redevelopment of that allocation area.

7 (B) Establish, augment, or restore the debt service reserve for
8 bonds payable solely or in part from allocated tax proceeds in
9 that allocation area.

10 (C) Pay the principal of and interest on bonds payable from
11 allocated tax proceeds in that allocation area and from the
12 special tax levied under section 27 of this chapter.

13 (D) Pay the principal of and interest on bonds issued by the
14 unit to pay for local public improvements that are physically
15 located in or physically connected to that allocation area.

16 (E) Pay premiums on the redemption before maturity of bonds
17 payable solely or in part from allocated tax proceeds in that
18 allocation area.

19 (F) Make payments on leases payable from allocated tax
20 proceeds in that allocation area under section 25.2 of this
21 chapter.

22 (G) Reimburse the unit for expenditures made by it for local
23 public improvements (which include buildings, parking
24 facilities, and other items described in section 25.1(a) of this
25 chapter) that are physically located in or physically connected
26 to that allocation area.

27 (H) Reimburse the unit for rentals paid by it for a building or
28 parking facility that is physically located in or physically
29 connected to that allocation area under any lease entered into
30 under IC 36-1-10.

31 (I) For property taxes first due and payable before January 1,
32 2009, pay all or a part of a property tax replacement credit to
33 taxpayers in an allocation area as determined by the
34 redevelopment commission. This credit equals the amount
35 determined under the following STEPS for each taxpayer in a
36 taxing district (as defined in IC 6-1.1-1-20) that contains all or
37 part of the allocation area:

38 STEP ONE: Determine that part of the sum of the amounts
39 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
40 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
41 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
42 the taxing district.



- 1 STEP TWO: Divide:
- 2 (i) that part of each county's eligible property tax
- 3 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 4 repeal)) for that year as determined under IC 6-1.1-21-4
- 5 (before its repeal) that is attributable to the taxing district;
- 6 by
- 7 (ii) the STEP ONE sum.
- 8 STEP THREE: Multiply:
- 9 (i) the STEP TWO quotient; times
- 10 (ii) the total amount of the taxpayer's taxes (as defined in
- 11 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
- 12 that have been allocated during that year to an allocation
- 13 fund under this section.
- 14 If not all the taxpayers in an allocation area receive the credit
- 15 in full, each taxpayer in the allocation area is entitled to
- 16 receive the same proportion of the credit. A taxpayer may not
- 17 receive a credit under this section and a credit under section
- 18 39.5 of this chapter (before its repeal) in the same year.
- 19 (J) Pay expenses incurred by the redevelopment commission
- 20 for local public improvements that are in the allocation area or
- 21 serving the allocation area. Public improvements include
- 22 buildings, parking facilities, and other items described in
- 23 section 25.1(a) of this chapter.
- 24 (K) Reimburse public and private entities for expenses
- 25 incurred in training employees of industrial facilities that are
- 26 located:
- 27 (i) in the allocation area; and
- 28 (ii) on a parcel of real property that has been classified as
- 29 industrial property under the rules of the department of local
- 30 government finance.
- 31 However, the total amount of money spent for this purpose in
- 32 any year may not exceed the total amount of money in the
- 33 allocation fund that is attributable to property taxes paid by the
- 34 industrial facilities described in this clause. The
- 35 reimbursements under this clause must be made within three
- 36 (3) years after the date on which the investments that are the
- 37 basis for the increment financing are made.
- 38 (L) Pay the costs of carrying out an eligible efficiency project
- 39 (as defined in IC 36-9-41-1.5) within the unit that established
- 40 the redevelopment commission. However, property tax
- 41 proceeds may be used under this clause to pay the costs of
- 42 carrying out an eligible efficiency project only if those



1 property tax proceeds exceed the amount necessary to do the
2 following:

3 (i) Make, when due, any payments required under clauses
4 (A) through (K), including any payments of principal and
5 interest on bonds and other obligations payable under this
6 subdivision, any payments of premiums under this
7 subdivision on the redemption before maturity of bonds, and
8 any payments on leases payable under this subdivision.

9 (ii) Make any reimbursements required under this
10 subdivision.

11 (iii) Pay any expenses required under this subdivision.

12 (iv) Establish, augment, or restore any debt service reserve
13 under this subdivision.

14 (M) Expend money and provide financial assistance as
15 authorized in section 12.2(a)(27) of this chapter.

16 The allocation fund may not be used for operating expenses of the
17 commission.

18 (4) Except as provided in subsection ~~(g)~~; **(h)**, before July 1 of each
19 year, the commission shall do the following:

20 (A) Determine the amount, if any, by which the assessed value
21 of the taxable property in the allocation area for the most
22 recent assessment date minus the base assessed value, when
23 multiplied by the estimated tax rate of the allocation area, will
24 exceed the amount of assessed value needed to produce the
25 property taxes necessary to make, when due, principal and
26 interest payments on bonds described in subdivision (3), plus
27 the amount necessary for other purposes described in
28 subdivision (3).

29 (B) Provide a written notice to the county auditor, the fiscal
30 body of the county or municipality that established the
31 department of redevelopment, the officers who are authorized
32 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
33 each of the other taxing units that is wholly or partly located
34 within the allocation area, and (in an electronic format) the
35 department of local government finance. The notice must:

36 (i) state the amount, if any, of excess assessed value that the
37 commission has determined may be allocated to the
38 respective taxing units in the manner prescribed in
39 subdivision (1); or

40 (ii) state that the commission has determined that there is no
41 excess assessed value that may be allocated to the respective
42 taxing units in the manner prescribed in subdivision (1).



1 The county auditor shall allocate to the respective taxing units
 2 the amount, if any, of excess assessed value determined by the
 3 commission. The commission may not authorize an allocation
 4 of assessed value to the respective taxing units under this
 5 subdivision if to do so would endanger the interests of the
 6 holders of bonds described in subdivision (3) or lessors under
 7 section 25.3 of this chapter.

8 (C) If:

9 (i) the amount of excess assessed value determined by the
 10 commission is expected to generate more than two hundred
 11 percent (200%) of the amount of allocated tax proceeds
 12 necessary to make, when due, principal and interest
 13 payments on bonds described in subdivision (3); plus

14 (ii) the amount necessary for other purposes described in
 15 subdivision (3);

16 the commission shall submit to the legislative body of the unit
 17 its determination of the excess assessed value that the
 18 commission proposes to allocate to the respective taxing units
 19 in the manner prescribed in subdivision (1). The legislative
 20 body of the unit may approve the commission's determination
 21 or modify the amount of the excess assessed value that will be
 22 allocated to the respective taxing units in the manner
 23 prescribed in subdivision (1).

24 ~~(e)~~ (d) For the purpose of allocating taxes levied by or for any taxing
 25 unit or units, the assessed value of taxable property in a territory in the
 26 allocation area that is annexed by any taxing unit after the effective
 27 date of the allocation provision of the declaratory resolution is the
 28 lesser of:

29 (1) the assessed value of the property for the assessment date with
 30 respect to which the allocation and distribution is made; or

31 (2) the base assessed value.

32 ~~(d)~~ (e) Property tax proceeds allocable to the redevelopment district
 33 under subsection ~~(b)(3)~~ (c)(3) may, subject to subsection ~~(b)(4)~~; (c)(4),
 34 be irrevocably pledged by the redevelopment district for payment as set
 35 forth in subsection ~~(b)(3)~~; (b)(3).

36 ~~(e)~~ (f) Notwithstanding any other law, each assessor shall, upon
 37 petition of the redevelopment commission, reassess the taxable
 38 property situated upon or in, or added to, the allocation area, effective
 39 on the next assessment date after the petition.

40 ~~(f)~~ (g) Notwithstanding any other law, the assessed value of all
 41 taxable property in the allocation area, for purposes of tax limitation,
 42 property tax replacement, and formulation of the budget, tax rate, and



1 tax levy for each political subdivision in which the property is located
 2 is the lesser of:

- 3 (1) the assessed value of the property as valued without regard to
 4 this section; or
 5 (2) the base assessed value.

6 ~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise
 7 zone created under IC 5-28-15, the unit that designated the allocation
 8 area shall create funds as specified in this subsection. A unit that has
 9 obligations, bonds, or leases payable from allocated tax proceeds under
 10 subsection ~~(b)(3)~~ **(c)(3)** shall establish an allocation fund for the
 11 purposes specified in subsection ~~(b)(3)~~ **(c)(3)** and a special zone fund.
 12 Such a unit shall, until the end of the enterprise zone phase out period,
 13 deposit each year in the special zone fund any amount in the allocation
 14 fund derived from property tax proceeds in excess of those described
 15 in subsection ~~(b)(1)~~ **(c)(1)** and ~~(b)(2)~~ **(c)(2)** from property located in the
 16 enterprise zone that exceeds the amount sufficient for the purposes
 17 specified in subsection ~~(b)(3)~~ **(c)(3)** for the year. The amount sufficient
 18 for purposes specified in subsection ~~(b)(3)~~ **(c)(3)** for the year shall be
 19 determined based on the pro rata portion of such current property tax
 20 proceeds from the part of the enterprise zone that is within the
 21 allocation area as compared to all such current property tax proceeds
 22 derived from the allocation area. A unit that has no obligations, bonds,
 23 or leases payable from allocated tax proceeds under subsection ~~(b)(3)~~
 24 **(c)(3)** shall establish a special zone fund and deposit all the property
 25 tax proceeds in excess of those described in subsection ~~(b)(1)~~ **(c)(1)**
 26 and ~~(b)(2)~~ **(c)(2)** in the fund derived from property tax proceeds in
 27 excess of those described in subsection ~~(b)(1)~~ **(c)(1)** and ~~(b)(2)~~ **(c)(2)**
 28 from property located in the enterprise zone. The unit that creates the
 29 special zone fund shall use the fund (based on the recommendations of
 30 the urban enterprise association) for programs in job training, job
 31 enrichment, and basic skill development that are designed to benefit
 32 residents and employers in the enterprise zone or other purposes
 33 specified in subsection ~~(b)(3)~~ **(c)(3)**, except that where reference is
 34 made in subsection ~~(b)(3)~~ **(c)(3)** to allocation area it shall refer for
 35 purposes of payments from the special zone fund only to that part of the
 36 allocation area that is also located in the enterprise zone. Those
 37 programs shall reserve at least one-half (1/2) of their enrollment in any
 38 session for residents of the enterprise zone.

39 ~~(h)~~ **(i)** The state board of accounts and department of local
 40 government finance shall make the rules and prescribe the forms and
 41 procedures that they consider expedient for the implementation of this
 42 chapter. After each general reassessment of real property in an area



1 under IC 6-1.1-4-4 and after each reassessment in an area under a
 2 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 3 local government finance shall adjust the base assessed value one (1)
 4 time to neutralize any effect of the reassessment of the real property in
 5 the area on the property tax proceeds allocated to the redevelopment
 6 district under this section. After each annual adjustment under
 7 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 8 the base assessed value one (1) time to neutralize any effect of the
 9 annual adjustment on the property tax proceeds allocated to the
 10 redevelopment district under this section. However, the adjustments
 11 under this subsection:

12 (1) may not include the effect of phasing in assessed value due to
 13 property tax abatements under IC 6-1.1-12.1;

14 (2) may not produce less property tax proceeds allocable to the
 15 redevelopment district under subsection ~~(b)~~(~~3~~) **(c)**(**3**) than would
 16 otherwise have been received if the general reassessment, the
 17 reassessment under the reassessment plan, or the annual
 18 adjustment had not occurred; and

19 (3) may decrease base assessed value only to the extent that
 20 assessed values in the allocation area have been decreased due to
 21 annual adjustments or the reassessment under the reassessment
 22 plan.

23 Assessed value increases attributable to the application of an abatement
 24 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 25 value of an allocation area. The department of local government
 26 finance may prescribe procedures for county and township officials to
 27 follow to assist the department in making the adjustments.

28 ~~(b)~~ **(j)** The allocation deadline referred to in subsection ~~(b)~~ **(c)** is
 29 determined in the following manner:

30 (1) The initial allocation deadline is December 31, 2011.

31 (2) Subject to subdivision (3), the initial allocation deadline and
 32 subsequent allocation deadlines are automatically extended in
 33 increments of five (5) years, so that allocation deadlines
 34 subsequent to the initial allocation deadline fall on December 31,
 35 2016, and December 31 of each fifth year thereafter.

36 (3) At least one (1) year before the date of an allocation deadline
 37 determined under subdivision (2), the general assembly may enact
 38 a law that:

39 (A) terminates the automatic extension of allocation deadlines
 40 under subdivision (2); and

41 (B) specifically designates a particular date as the final
 42 allocation deadline.



1 SECTION 19. IC 36-7-14-39.2, AS AMENDED BY P.L.119-2012,
 2 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2017]: Sec. 39.2. (a) This section applies
 4 to a county having a population of more than two hundred fifty
 5 thousand (250,000) but less than two hundred seventy thousand
 6 (270,000).

7 (b) As used in this section, "designated taxpayer" means any
 8 taxpayer designated by the commission in a declaratory resolution
 9 adopted or amended under section 15 or 17.5 of this chapter and with
 10 respect to which the commission finds that taxes to be derived from the
 11 taxpayer's depreciable personal property in the allocation area, in
 12 excess of the taxes attributable to the base assessed value of that
 13 personal property, are reasonably expected to exceed in one (1) or more
 14 future years the taxes to be derived from the taxpayer's real property in
 15 the allocation area in excess of the taxes attributable to the base
 16 assessed value of that real property.

17 (c) The allocation provision of a declaratory resolution may modify
 18 the definition of "property taxes" under section ~~39(a)~~ **39(b)** of this
 19 chapter to include taxes imposed under IC 6-1.1 on the depreciable
 20 personal property of designated taxpayers, in accordance with the
 21 procedures and limitations set forth in this section and section 39 of
 22 this chapter. If such a modification is included in the resolution for
 23 purposes of section 39 of this chapter, the term "base assessed value"
 24 with respect to the depreciable personal property of designated
 25 taxpayers means the net assessed value of all the depreciable personal
 26 property as finally determined for the assessment date immediately
 27 preceding:

28 (1) the effective date of the modification, for modifications
 29 adopted before July 1, 1995; and

30 (2) the adoption date of the modification for modifications
 31 adopted after June 30, 1995;

32 as adjusted under section ~~39(h)~~ **39(i)** of this chapter.

33 SECTION 20. IC 36-7-14-39.3, AS AMENDED BY P.L.6-2012,
 34 SECTION 244, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2017]: Sec. 39.3. (a) As used in this
 36 section, "depreciable personal property" refers to:

37 (1) all of the designated taxpayer's depreciable personal property
 38 that is located in the allocation area; and

39 (2) all other depreciable property located and taxable on the
 40 designated taxpayer's site of operations within the allocation area.

41 (b) As used in this section, "designated taxpayer" means any
 42 taxpayer designated by the commission in a declaratory resolution



1 adopted or amended under section 15 or 17.5 of this chapter, and with
 2 respect to which the commission finds that taxes to be derived from the
 3 depreciable personal property in the allocation area, in excess of the
 4 taxes attributable to the base assessed value of that personal property,
 5 are needed to pay debt service or to provide security for bonds issued
 6 under section 25.1 of this chapter or to make payments or to provide
 7 security on leases payable under section 25.2 of this chapter in order to
 8 provide local public improvements for a particular allocation area.
 9 However, a commission may not designate a taxpayer after June 30,
 10 1992, unless the commission also finds that:

11 (1) the taxpayer's property in the allocation area will consist
 12 primarily of industrial, manufacturing, warehousing, research and
 13 development, processing, distribution, or transportation related
 14 projects or regulated amusement devices (as defined in
 15 IC 22-12-1-19.1) and related improvements; and

16 (2) the taxpayer's property in the allocation area will not consist
 17 primarily of retail, commercial, or residential projects, other than
 18 an amusement park or tourism industry project.

19 (c) The allocation provision of a declaratory resolution may modify
 20 the definition of "property taxes" under section ~~39(a)~~ **39(b)** of this
 21 chapter to include taxes imposed under IC 6-1.1 on the depreciable
 22 personal property located and taxable on the site of operations of the
 23 designated taxpayers in accordance with the procedures and limitations
 24 set forth in this section and section 39 of this chapter. If such a
 25 modification is included in the resolution, for purposes of section 39 of
 26 this chapter the term "base assessed value" with respect to the
 27 depreciable personal property means the net assessed value of all the
 28 depreciable personal property as finally determined for the assessment
 29 date immediately preceding:

30 (1) the effective date of the modification, for modifications
 31 adopted before July 1, 1995; and

32 (2) the adoption date of the modification for modifications
 33 adopted after June 30, 1995;

34 as adjusted under section ~~39(h)~~ **39(i)** of this chapter.

35 (d) A declaratory resolution of a city redevelopment commission
 36 that is adopted before March 20, 1990, is legalized and validated as if
 37 it had been adopted under this section.

38 (e) An action taken by a redevelopment commission before
 39 February 24, 1992, to designate a taxpayer, modify the definition of
 40 property taxes, or establish a base assessed value as described in this
 41 section, as in effect on February 24, 1992, is legalized and validated as
 42 if this section, as in effect on February 24, 1992, had been in effect on



- 1 the date of the action.
- 2 (f) The amendment made to this section by P.L.41-1992, does not
- 3 affect actions taken pursuant to P.L.35-1990.
- 4 (g) A declaratory resolution or an amendment to a declaratory
- 5 resolution that was adopted by:
- 6 (1) a county redevelopment commission for a county; or
- 7 (2) a city redevelopment commission for a city;
- 8 before February 26, 1992, is legalized and validated as if the
- 9 declaratory resolution or amendment had been adopted under this
- 10 section as amended by P.L.147-1992.
- 11 SECTION 21. IC 36-7-14-39.8 IS ADDED TO THE INDIANA
- 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 13 [EFFECTIVE JANUARY 1, 2017]: **Sec. 39.8. (a) This section applies**
- 14 **only to an allocation area initially established after December 31,**
- 15 **2016, and all subsequent amendments to the allocation provision**
- 16 **for the allocation area.**
- 17 **(b) The following definitions apply throughout this section:**
- 18 **(1) "Allocation area" means that part of a redevelopment**
- 19 **project area to which an allocation provision of a declaratory**
- 20 **resolution adopted under section 15 of this chapter refers for**
- 21 **purposes of distribution and allocation of property taxes.**
- 22 **(2) "Base assessed value" with respect to a specified**
- 23 **participating taxing unit means the following:**
- 24 **(A) If an allocation provision is adopted in a declaratory**
- 25 **resolution or an amendment to a declaratory resolution**
- 26 **establishing an economic development area:**
- 27 **(i) the net assessed value of all the property as finally**
- 28 **determined for the assessment date immediately**
- 29 **preceding the effective date of the allocation provision of**
- 30 **the declaratory resolution, as adjusted under subsection**
- 31 **(i); plus**
- 32 **(ii) to the extent that it is not included in item (i), the net**
- 33 **assessed value of property that is assessed as residential**
- 34 **property under the rules of the department of local**
- 35 **government finance, as finally determined for any**
- 36 **assessment date after the effective date of the allocation**
- 37 **provision.**
- 38 **(B) If an allocation provision is adopted in a declaratory**
- 39 **resolution or an amendment to a declaratory resolution**
- 40 **establishing a redevelopment project area:**
- 41 **(i) the net assessed value of all the property as finally**
- 42 **determined for the assessment date immediately**



1 preceding the effective date of the allocation provision of
 2 the declaratory resolution, as adjusted under subsection
 3 (i); plus
 4 (ii) to the extent that it is not included in item (i), the net
 5 assessed value of property that is assessed as residential
 6 property under the rules of the department of local
 7 government finance, as finally determined for any
 8 assessment date after the effective date of the allocation
 9 provision.

10 (C) For all other allocation areas, the net assessed value of
 11 all the property as finally determined for the assessment
 12 date immediately preceding the effective date of the
 13 allocation provision of the declaratory resolution, as
 14 adjusted under subsection (i).

15 (3) "Participating taxing unit" means a taxing unit that has
 16 elected to be subject to an allocation provision under section
 17 17(d) of this chapter.

18 (4) Except as provided in section 39.3 of this chapter,
 19 "property taxes" means taxes imposed under IC 6-1.1 on real
 20 property.

21 (c) A declaratory resolution adopted under section 15 of this
 22 chapter on or before the allocation deadline determined under
 23 subsection (j) may include a provision with respect to the allocation
 24 and distribution of property taxes for the purposes and in the
 25 manner provided in this section. A declaratory resolution
 26 previously adopted may include an allocation provision by the
 27 amendment of that declaratory resolution on or before the
 28 allocation deadline determined under subsection (j) in accordance
 29 with the procedures required for its original adoption. A
 30 declaratory resolution or amendment that establishes an allocation
 31 provision must include a specific finding of fact, supported by
 32 evidence, that the adoption of the allocation provision will result in
 33 new property taxes in the area that would not have been generated
 34 but for the adoption of the allocation provision. A declaratory
 35 resolution or an amendment that establishes an allocation
 36 provision must specify an expiration date for the allocation
 37 provision. The expiration date of an allocation area may not be
 38 more than twenty-five (25) years after the date on which the first
 39 obligation is incurred to pay principal and interest on bonds or
 40 lease rentals on leases payable from tax increment revenues. The
 41 allocation provision may apply to all or part of the redevelopment
 42 project area. The allocation provision must require that any



1 property taxes subsequently levied by a participating taxing unit
 2 for the benefit of the participating taxing unit or another public
 3 body be allocated and distributed as follows:

4 (1) Except as otherwise provided in this section, for each
 5 participating taxing unit, the proceeds of the taxes
 6 attributable to the lesser of:

7 (A) the assessed value of the property in the participating
 8 taxing unit for the assessment date with respect to which
 9 the allocation and distribution is made; or

10 (B) the base assessed value of the participating taxing unit;
 11 shall be allocated to and, when collected, paid into the funds
 12 of the participating taxing unit.

13 (2) The excess of the proceeds of the property taxes imposed
 14 for the assessment date with respect to which the allocation
 15 and distribution is made that are attributable to taxes
 16 imposed after being approved by the voters in a referendum
 17 or local public question not otherwise included in subdivision
 18 (1) shall be allocated to and, when collected, paid into the
 19 funds of the participating taxing unit for which the
 20 referendum or local public question was conducted.

21 (3) Except as otherwise provided in this section, property tax
 22 proceeds of participating taxing units in excess of those
 23 described in subdivisions (1) and (2) shall be allocated to the
 24 redevelopment district and, when collected, paid into an
 25 allocation fund for that allocation area that may be used by
 26 the redevelopment district only to do one (1) or more of the
 27 following:

28 (A) Pay the principal of and interest on any obligations
 29 payable solely from allocated tax proceeds that are
 30 incurred by the redevelopment district for the purpose of
 31 financing or refinancing the redevelopment of that
 32 allocation area.

33 (B) Establish, augment, or restore the debt service reserve
 34 for bonds payable solely or in part from allocated tax
 35 proceeds in that allocation area.

36 (C) Pay the principal of and interest on bonds payable
 37 from allocated tax proceeds in that allocation area and
 38 from the special tax levied under section 27 of this chapter.

39 (D) Pay the principal of and interest on bonds issued by the
 40 unit to pay for local public improvements that are
 41 physically located in or physically connected to that
 42 allocation area.



- 1 (E) Pay premiums on the redemption before maturity of
 2 bonds payable solely or in part from allocated tax proceeds
 3 in that allocation area.
- 4 (F) Make payments on leases payable from allocated tax
 5 proceeds in that allocation area under section 25.2 of this
 6 chapter.
- 7 (G) Reimburse the unit for expenditures made by it for
 8 local public improvements (including buildings, parking
 9 facilities, and other items described in section 25.1(a) of
 10 this chapter) that are physically located in or physically
 11 connected to that allocation area.
- 12 (H) Reimburse the unit for rentals paid by it for a building
 13 or parking facility that is physically located in or
 14 physically connected to that allocation area under any
 15 lease entered into under IC 36-1-10.
- 16 (I) Pay expenses incurred by the redevelopment
 17 commission for local public improvements that are in the
 18 allocation area or serving the allocation area. Public
 19 improvements include buildings, parking facilities, and
 20 other items described in section 25.1(a) of this chapter.
- 21 (J) Reimburse public and private entities for expenses
 22 incurred in training employees of industrial facilities that
 23 are located:
- 24 (i) in the allocation area; and
 - 25 (ii) on a parcel of real property that has been classified
 26 as industrial property under the rules of the department
 27 of local government finance.
- 28 However, the total amount of money spent for this purpose
 29 in any year may not exceed the total amount of money in
 30 the allocation fund that is attributable to property taxes
 31 paid by the industrial facilities described in this clause. The
 32 reimbursements under this clause must be made within
 33 three (3) years after the date on which the investments that
 34 are the basis for the increment financing are made.
- 35 (K) Pay the costs of carrying out an eligible efficiency
 36 project (as defined in IC 36-9-41-1.5) within the unit that
 37 established the redevelopment commission. However,
 38 property tax proceeds may be used under this clause to pay
 39 the costs of carrying out an eligible efficiency project only
 40 if those property tax proceeds exceed the amount necessary
 41 to do the following:
- 42 (i) Make, when due, any payments required under



1 clauses (A) through (J), including any payments of
 2 principal and interest on bonds and other obligations
 3 payable under this subdivision, any payments of
 4 premiums under this subdivision on the redemption
 5 before maturity of bonds, and any payments on leases
 6 payable under this subdivision.

7 (ii) Make any reimbursements required under this
 8 subdivision.

9 (iii) Pay any expenses required under this subdivision.

10 (iv) Establish, augment, or restore any debt service
 11 reserve under this subdivision.

12 (L) Expend money and provide financial assistance as
 13 authorized in section 12.2(a)(27) of this chapter.

14 The allocation fund may not be used for operating expenses of
 15 the commission.

16 (4) Except as provided in subsection (h), before July 1 of each
 17 year, the commission shall do the following:

18 (A) For each participating taxing unit, determine the
 19 amount, if any, by which the assessed value of the taxable
 20 property of the participating taxing unit in the allocation
 21 area for the most recent assessment date minus the base
 22 assessed value of the participating taxing unit, when
 23 multiplied by the estimated tax rate of the allocation area,
 24 will exceed the amount of assessed value needed to produce
 25 the property taxes necessary to make, when due, the
 26 principal and interest payments on bonds described in
 27 subdivision (3), plus the amount necessary for other
 28 purposes described in subdivision (3).

29 (B) Provide a written notice to the county auditor, the
 30 fiscal body of the county or municipality that established
 31 the department of redevelopment, the officers who are
 32 authorized to fix budgets, tax rates, and tax levies under
 33 IC 6-1.1-17-5 for each of the other taxing units that is
 34 wholly or partly located within the allocation area, and (in
 35 an electronic format) the department of local government
 36 finance. The notice must:

37 (i) state the amount, if any, of excess assessed value that
 38 the commission has determined may be allocated to the
 39 respective participating taxing units in the manner
 40 prescribed in subdivision (1); or

41 (ii) state that the commission has determined that there
 42 is no excess assessed value that may be allocated to the



- 1 respective participating taxing units in the manner
 2 prescribed in subdivision (1).
 3 The county auditor shall allocate to the respective
 4 participating taxing units the amount, if any, of excess
 5 assessed value determined by the commission. The
 6 commission may not authorize an allocation of assessed
 7 value to the respective participating taxing units under this
 8 subdivision if to do so would endanger the interests of the
 9 holders of bonds described in subdivision (3) or lessors
 10 under section 25.3 of this chapter.
 11 (C) If:
 12 (i) the amount of excess assessed value determined by the
 13 commission is expected to generate more than two
 14 hundred percent (200%) of the amount of allocated tax
 15 proceeds necessary to make, when due, principal and
 16 interest payments on bonds described in subdivision (3);
 17 plus
 18 (ii) the amount necessary for other purposes described in
 19 subdivision (3);
 20 the commission shall submit to the legislative body of the
 21 unit its determination of the excess assessed value that the
 22 commission proposes to allocate to the respective
 23 participating taxing units in the manner prescribed in
 24 subdivision (1). The legislative body of the unit may
 25 approve the commission's determination or modify the
 26 amount of the excess assessed value that will be allocated
 27 to the respective participating taxing units in the manner
 28 prescribed in subdivision (1).
 29 (d) For the purpose of allocating taxes levied by or for any
 30 participating taxing unit or units, the assessed value of taxable
 31 property in a territory in the allocation area that is annexed by any
 32 participating taxing unit after the effective date of the allocation
 33 provision of the declaratory resolution is the lesser of:
 34 (1) the assessed value of the property in the participating
 35 taxing unit for the assessment date with respect to which the
 36 allocation and distribution is made; or
 37 (2) the base assessed value of the participating taxing unit.
 38 (e) Property tax proceeds allocable to the redevelopment district
 39 under subsection (c)(3) may, subject to subsection(c)(4), be
 40 irrevocably pledged by the redevelopment district for payment as
 41 set forth in subsection (c)(3).
 42 (f) Notwithstanding any other law, each assessor shall, upon



1 petition of the redevelopment commission, reassess the taxable
 2 property situated upon or in, or added to, the allocation area,
 3 effective on the next assessment date after the petition.

4 (g) Notwithstanding any other law, for each participating taxing
 5 unit, the assessed value of all taxable property in the part of the
 6 participating taxing unit in the allocation area, for purposes of tax
 7 limitation, property tax replacement, and formulation of the
 8 budget, tax rate, and tax levy is the lesser of:

9 (1) the assessed value of the property in the part of the
 10 participating taxing unit in the allocation area as valued
 11 without regard to this section; or

12 (2) the base assessed value of the participating taxing unit.

13 (h) If any part of the allocation area is located in an enterprise
 14 zone created under IC 5-28-15, the unit that designated the
 15 allocation area shall create funds as specified in this subsection. A
 16 unit that has obligations, bonds, or leases payable from allocated
 17 tax proceeds under subsection (c)(3) shall establish an allocation
 18 fund for the purposes specified in subsection (c)(3) and a special
 19 zone fund. Such a unit shall, until the end of the enterprise zone
 20 phase out period, deposit each year in the special zone fund any
 21 amount in the allocation fund derived from the property tax
 22 proceeds in excess of those described in subsection (c)(1) and (c)(3)
 23 from property located in the enterprise zone that exceeds the
 24 amount sufficient for the purposes specified in subsection (c)(3) for
 25 the year. The amount sufficient for purposes specified in subsection
 26 (c)(3) for the year shall be determined based on the pro rata
 27 portion of such current property tax proceeds from the part of the
 28 enterprise zone that is within the allocation area as compared to all
 29 such current property tax proceeds derived from the allocation
 30 area. A unit that has no obligations, bonds, or leases payable from
 31 allocated tax proceeds under subsection (c)(3) shall establish a
 32 special zone fund and deposit all the property tax proceeds in
 33 excess of those described in subsection (c)(1) and (c)(2) in the fund
 34 derived from property tax proceeds in excess of those described in
 35 subsection (c)(1) and (c)(2) from property located in the enterprise
 36 zone. The unit that creates the special zone fund shall use the fund
 37 (based on the recommendations of the urban enterprise
 38 association) for programs in job training, job enrichment, and
 39 basic skill development that are designed to benefit residents and
 40 employers in the enterprise zone or other purposes specified in
 41 subsection (c)(3), except that where reference is made in subsection
 42 (c)(3) to allocation area it refers for purposes of payments from the



1 special zone fund only to that part of the allocation area that is also
 2 located in the enterprise zone. Those programs shall reserve at
 3 least one-half (1/2) of their enrollment in any session for residents
 4 of the enterprise zone.

5 (i) The state board of accounts and department of local
 6 government finance shall make the rules and prescribe the forms
 7 and procedures that they consider expedient for the
 8 implementation of this chapter. After each general reassessment of
 9 real property in an area under IC 6-1.1-4-4 and after each
 10 reassessment in an area under a reassessment plan prepared under
 11 IC 6-1.1-4-4.2, the department of local government finance shall
 12 adjust the base assessed value of each participating taxing unit one
 13 (1) time to neutralize any effect of the reassessment of the real
 14 property in the area on the property tax proceeds allocated to the
 15 redevelopment district under this section. After each annual
 16 adjustment under IC 6-1.1-4-4.5, the department of local
 17 government finance shall adjust the base assessed value of each
 18 participating taxing unit one (1) time to neutralize any effect of the
 19 annual adjustment on the property tax proceeds allocated to the
 20 redevelopment district under this section. However, the
 21 adjustments under this subsection:

22 (1) may not include the effect of phasing in assessed value due
 23 to property tax abatements under IC 6-1.1-12.1;

24 (2) may not produce less property tax proceeds allocable to
 25 the redevelopment district under subsection (c)(3) than would
 26 otherwise have been received if the general reassessment, the
 27 reassessment under the reassessment plan, or the annual
 28 adjustment had not occurred; and

29 (3) may decrease base assessed value of a participating taxing
 30 unit only to the extent that assessed values in the allocation
 31 area have been decreased due to annual adjustments or the
 32 reassessment under the reassessment plan.

33 Assessed value increases attributable to the application of an
 34 abatement schedule under IC 6-1.1-12.1 may not be included in the
 35 base assessed value of a participating taxing unit. The department
 36 of local government finance may prescribe procedures for county
 37 and township officials to follow to assist the department in making
 38 the adjustments.

39 (j) The allocation deadline referred to in subsection (c) is
 40 determined in the following manner:

41 (1) The initial allocation deadline is December 31, 2021.

42 (2) Subject to subdivision (3), the initial allocation deadline



1 **and subsequent allocation deadlines are automatically**
 2 **extended in increments of five (5) years, so that allocation**
 3 **deadlines after the initial allocation deadline fall on December**
 4 **31, 2026, and December 31 of each fifth year thereafter.**

5 **(3) At least one (1) year before the date of an allocation**
 6 **deadline determined under subdivision (2), the general**
 7 **assembly may enact a law that:**

8 **(A) terminates the automatic extension of allocation**
 9 **deadlines under subdivision (2); and**

10 **(B) specifically designates a particular date as the final**
 11 **allocation deadline.**

12 SECTION 22. IC 36-7-14-45, AS ADDED BY P.L.154-2006,
 13 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2017]: Sec. 45. (a) The commission may establish a
 15 program for housing by resolution. The program, which may include
 16 any relevant elements the commission considers appropriate, may be
 17 adopted as part of a redevelopment plan or amendment to a
 18 redevelopment plan, and must establish an allocation area for purposes
 19 of ~~sections~~ **section 39 or 39.8** and **section 48** of this chapter for the
 20 accomplishment of the program. The program must be approved by the
 21 municipal legislative body or county executive as specified in section
 22 17 of this chapter.

23 (b) The notice and hearing provisions of sections 17 and 17.5 of this
 24 chapter, including notice under section 17(c) of this chapter to a taxing
 25 unit that is wholly or partly located within an allocation area, apply to
 26 the resolution adopted under subsection (a). Judicial review of the
 27 resolution may be made under section 18 of this chapter.

28 (c) Before formal submission of any housing program to the
 29 commission, the department of redevelopment:

30 (1) shall consult with persons interested in or affected by the
 31 proposed program;

32 (2) shall provide the affected neighborhood associations,
 33 residents, and township assessors with an adequate opportunity to
 34 participate in an advisory role in planning, implementing, and
 35 evaluating the proposed program; and

36 (3) shall hold public meetings in the affected neighborhood to
 37 obtain the views of neighborhood associations and residents.

38 SECTION 23. IC 36-7-14-46, AS AMENDED BY P.L.149-2014,
 39 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2017]: Sec. 46. All the rights, powers, privileges, and
 41 immunities that may be exercised by the commission in blighted,
 42 deteriorated, or deteriorating areas may be exercised by the



1 commission in implementing its program for housing, including the
2 following:

3 (1) The special tax levied in accordance with section 27 of this
4 chapter may be used to accomplish the housing program.

5 (2) Bonds may be issued under this chapter to accomplish the
6 housing program, but only one (1) issue of bonds may be issued
7 and payable from increments in any allocation area except for
8 refunding bonds or bonds issued in an amount necessary to
9 complete a housing program for which bonds were previously
10 issued.

11 (3) Leases may be entered into under this chapter to accomplish
12 the housing program.

13 (4) The tax exemptions set forth in section 37 of this chapter are
14 applicable.

15 (5) Property taxes may be allocated under section 39 **or 39.8** of
16 this chapter.

17 SECTION 24. IC 36-7-14-48, AS AMENDED BY P.L.87-2015,
18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2017]: Sec. 48. (a) Notwithstanding section ~~39(a)~~ **39(b)**
20 **or 39.8(b)** of this chapter, with respect to the allocation and
21 distribution of property taxes for the accomplishment of a program
22 adopted under section 45 of this chapter, "base assessed value" means
23 the net assessed value of all of the property, other than personal
24 property, as finally determined for the assessment date immediately
25 preceding the effective date of the allocation provision, as adjusted
26 under section ~~39(h)~~ **39(i) or 39.8(i)** of this chapter.

27 (b) The allocation fund established under section ~~39(b)~~ **39(c) or**
28 **39.8(c)** of this chapter for the allocation area for a program adopted
29 under section 45 of this chapter may be used only for purposes related
30 to the accomplishment of the program, including the following:

31 (1) The construction, rehabilitation, or repair of residential units
32 within the allocation area.

33 (2) The construction, reconstruction, or repair of any
34 infrastructure (including streets, sidewalks, and sewers) within or
35 serving the allocation area.

36 (3) The acquisition of real property and interests in real property
37 within the allocation area.

38 (4) The demolition of real property within the allocation area.

39 (5) The provision of financial assistance to enable individuals and
40 families to purchase or lease residential units within the allocation
41 area. However, financial assistance may be provided only to those
42 individuals and families whose income is at or below the county's



1 median income for individuals and families, respectively.

2 (6) The provision of financial assistance to neighborhood
3 development corporations to permit them to provide financial
4 assistance for the purposes described in subdivision (5).

5 (7) For property taxes first due and payable before January 1,
6 2009, providing each taxpayer in the allocation area a credit for
7 property tax replacement as determined under subsections (c) and
8 (d). However, the commission may provide this credit only if the
9 municipal legislative body (in the case of a redevelopment
10 commission established by a municipality) or the county
11 executive (in the case of a redevelopment commission established
12 by a county) establishes the credit by ordinance adopted in the
13 year before the year in which the credit is provided.

14 (c) The maximum credit that may be provided under subsection
15 (b)(7) to a taxpayer in a taxing district that contains all or part of an
16 allocation area established for a program adopted under section 45 of
17 this chapter shall be determined as follows:

18 STEP ONE: Determine that part of the sum of the amounts
19 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
20 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
21 attributable to the taxing district.

22 STEP TWO: Divide:

23 (A) that part of each county's eligible property tax replacement
24 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
25 that year as determined under IC 6-1.1-21-4(a)(1) (before its
26 repeal) that is attributable to the taxing district; by

27 (B) the amount determined under STEP ONE.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; by

30 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before
31 its repeal) levied in the taxing district allocated to the
32 allocation fund, including the amount that would have been
33 allocated but for the credit.

34 (d) The commission may determine to grant to taxpayers in an
35 allocation area from its allocation fund a credit under this section, as
36 calculated under subsection (c). Except as provided in subsection (g),
37 one-half (1/2) of the credit shall be applied to each installment of taxes
38 (as defined in IC 6-1.1-21-2) (before its repeal) that under
39 IC 6-1.1-22-9 are due and payable in a year. The commission must
40 provide for the credit annually by a resolution and must find in the
41 resolution the following:

42 (1) That the money to be collected and deposited in the allocation



1 fund, based upon historical collection rates, after granting the
 2 credit will equal the amounts payable for contractual obligations
 3 from the fund, plus ten percent (10%) of those amounts.

4 (2) If bonds payable from the fund are outstanding, that there is
 5 a debt service reserve for the bonds that at least equals the amount
 6 of the credit to be granted.

7 (3) If bonds of a lessor under section 25.2 of this chapter or under
 8 IC 36-1-10 are outstanding and if lease rentals are payable from
 9 the fund, that there is a debt service reserve for those bonds that
 10 at least equals the amount of the credit to be granted.

11 If the tax increment is insufficient to grant the credit in full, the
 12 commission may grant the credit in part, prorated among all taxpayers.

13 (e) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter,
 14 the allocation fund established under section ~~39(b)~~ **39(c) or 39.8(c)** of
 15 this chapter for the allocation area for a program adopted under section
 16 45 of this chapter may only be used to do one (1) or more of the
 17 following:

18 (1) Accomplish one (1) or more of the actions set forth in:

19 (A) section ~~39(b)(3)(A)~~ **39(c)(3)(A)** through ~~39(b)(3)(H)~~
 20 **39(c)(3)(H)** and ~~39(b)(3)(J)~~ **39(c)(3)(J)** of this chapter; **or**

21 **(B) section 39.8(c)(3)(A) through 39.8(c)(3)(I);**

22 for property that is residential in nature.

23 (2) Reimburse the county or municipality for expenditures made
 24 by the county or municipality in order to accomplish the housing
 25 program in that allocation area.

26 The allocation fund may not be used for operating expenses of the
 27 commission.

28 (f) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)(3)** of this
 29 chapter, the commission shall, relative to the allocation fund
 30 established under section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for an
 31 allocation area for a program adopted under section 45 of this chapter,
 32 do the following before July 1 of each year:

33 (1) Determine the amount, if any, by which the assessed value of
 34 the taxable property in the allocation area for the most recent
 35 assessment date minus the base assessed value, when multiplied
 36 by the estimated tax rate of the allocation area, will exceed the
 37 amount of assessed value needed to produce the property taxes
 38 necessary to:

39 (A) make the distribution required under section ~~39(b)(2)~~
 40 **39(c)(2) or 39.8(c)(2)** of this chapter;

41 (B) make, when due, principal and interest payments on bonds
 42 described in section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this



- 1 chapter;
- 2 (C) pay the amount necessary for other purposes described in
- 3 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and
- 4 (D) reimburse the county or municipality for anticipated
- 5 expenditures described in subsection (e)(2).
- 6 (2) Provide a written notice to the county auditor, the fiscal body
- 7 of the county or municipality that established the department of
- 8 redevelopment, the officers who are authorized to fix budgets, tax
- 9 rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 10 taxing units that is wholly or partly located within the allocation
- 11 area, and (in an electronic format) the department of local
- 12 government finance. The notice must:
- 13 (A) state the amount, if any, of excess property taxes that the
- 14 commission has determined may be paid to the respective
- 15 taxing units in the manner prescribed in section ~~39(b)(1)~~
- 16 **39(c)(1) or 39.8(c)(1)** of this chapter; or
- 17 (B) state that the commission has determined that there is no
- 18 excess assessed value that may be allocated to the respective
- 19 taxing units in the manner prescribed in subdivision (1).
- 20 The county auditor shall allocate to the respective taxing units the
- 21 amount, if any, of excess assessed value determined by the
- 22 commission.
- 23 (3) If:
- 24 (A) the amount of excess assessed value determined by the
- 25 commission is expected to generate more than two hundred
- 26 percent (200%) of the amount of allocated tax proceeds
- 27 necessary to make, when due, principal and interest payments
- 28 on bonds described in subdivision (1); plus
- 29 (B) the amount necessary for other purposes described in
- 30 subdivision (1);
- 31 the commission shall submit to the legislative body of the unit its
- 32 determination of the excess assessed value that the commission
- 33 proposes to allocate to the respective taxing units in the manner
- 34 prescribed in subdivision (2). The legislative body of the unit may
- 35 approve the commission's determination or modify the amount of
- 36 the excess assessed value that will be allocated to the respective
- 37 taxing units in the manner prescribed in subdivision (2).
- 38 (g) This subsection applies to an allocation area only to the extent
- 39 that the net assessed value of property that is assessed as residential
- 40 property under the rules of the department of local government finance
- 41 is not included in the base assessed value. If property tax installments
- 42 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in



1 installments established by the department of local government finance
 2 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
 3 allocation area is entitled to an additional credit under subsection (d)
 4 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
 5 installments. The credit shall be applied in the same proportion to each
 6 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

7 SECTION 25. IC 36-7-14-49, AS ADDED BY P.L.7-2013,
 8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2017]: Sec. 49. (a) A commission may adopt a resolution
 10 to establish a program for age-restricted housing. The program:

- 11 (1) must be limited to age-restricted housing that satisfies the
- 12 requirements of 42 U.S.C. 3607 (the federal Housing for Older
- 13 Persons Act);
- 14 (2) may include any relevant elements the commission considers
- 15 appropriate;
- 16 (3) may be adopted as part of a redevelopment plan or an
- 17 amendment to a redevelopment plan; and
- 18 (4) may establish an allocation area for purposes of sections 39 **or**
- 19 **39.8** and 50 of this chapter for the accomplishment of the
- 20 program.

21 The program must be approved by the municipal legislative body or
 22 county executive as specified in section 17 of this chapter.

23 (b) The notice and hearing provisions of sections 17 and 17.5 of this
 24 chapter, including notice under section 17(c) of this chapter to a taxing
 25 unit that is wholly or partly located within an allocation area, apply to
 26 the resolution adopted under subsection (a). Judicial review of the
 27 resolution may be made under section 18 of this chapter.

28 (c) Before formal submission of any age-restricted housing program
 29 to the commission, the department of redevelopment:

- 30 (1) shall consult with persons interested in or affected by the
- 31 proposed program; and
- 32 (2) shall hold public meetings in the areas to be affected by the
- 33 proposed program to obtain the views of affected persons.

34 SECTION 26. IC 36-7-14-50, AS AMENDED BY P.L.2-2014,
 35 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 36 [EFFECTIVE JANUARY 1, 2017]: Sec. 50. (a) Except as provided in
 37 subsection (b), all the rights, powers, privileges, and immunities that
 38 may be exercised by a commission in blighted, deteriorated, or
 39 deteriorating areas may be exercised by a commission in implementing
 40 its program for age-restricted housing, including the following:

- 41 (1) The special tax levied in accordance with section 27 of this
- 42 chapter may be used to accomplish the purposes of the



1 age-restricted housing program.

2 (2) Bonds may be issued under this chapter to accomplish the
3 purposes of the age-restricted housing program, but only one (1)
4 issue of bonds may be issued and payable from increments in any
5 allocation area established under section 49 of this chapter, except
6 for refunding bonds or bonds issued in an amount necessary to
7 complete an age-restricted housing program for which bonds were
8 previously issued.

9 (3) Leases may be entered into under this chapter to accomplish
10 the purposes of the age-restricted housing program.

11 (4) The tax exemptions set forth in section 37 of this chapter are
12 applicable.

13 (5) Property taxes may be allocated under section 39 **or 39.8** of
14 this chapter.

15 (b) A commission may not exercise the power of eminent domain
16 in implementing its age-restricted housing program.

17 SECTION 27. IC 36-7-14-52, AS AMENDED BY P.L.87-2015,
18 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2017]: Sec. 52. (a) Notwithstanding section ~~39(a)~~ **39(b)**
20 **or 39.8(b)** of this chapter, with respect to the allocation and
21 distribution of property taxes for the accomplishment of the purposes
22 of an age-restricted housing program adopted under section 49 of this
23 chapter, "base assessed value" means the net assessed value of all of
24 the property, other than personal property, as finally determined for the
25 assessment date immediately preceding the effective date of the
26 allocation provision, as adjusted under section ~~39(h)~~ **39(i) or 39.8(i)** of
27 this chapter.

28 (b) The allocation fund established under section ~~39(b)~~ **39(c) or**
29 **39.8(c)** of this chapter for the allocation area for an age-restricted
30 housing program adopted under section 49 of this chapter may be used
31 only for purposes related to the accomplishment of the purposes of the
32 program, including, but not limited to, the following:

33 (1) The construction of any infrastructure (including streets,
34 sidewalks, and sewers) or local public improvements in, serving,
35 or benefiting the allocation area.

36 (2) The acquisition of real property and interests in real property
37 within the allocation area.

38 (3) The preparation of real property in anticipation of
39 development of the real property within the allocation area.

40 (4) To do any of the following:

41 (A) Pay the principal of and interest on bonds or any other
42 obligations payable from allocated tax proceeds in the



- 1 allocation area that are incurred by the redevelopment district
 2 for the purpose of financing or refinancing the age-restricted
 3 housing program established under section 49 of this chapter
 4 for the allocation area.
- 5 (B) Establish, augment, or restore the debt service reserve for
 6 bonds payable solely or in part from allocated tax proceeds in
 7 the allocation area.
- 8 (C) Pay the principal of and interest on bonds payable from
 9 allocated tax proceeds in the allocation area and from the
 10 special tax levied under section 27 of this chapter.
- 11 (D) Pay the principal of and interest on bonds issued by the
 12 unit to pay for local public improvements that are physically
 13 located in or physically connected to the allocation area.
- 14 (E) Pay premiums on the redemption before maturity of bonds
 15 payable solely or in part from allocated tax proceeds in the
 16 allocation area.
- 17 (F) Make payments on leases payable from allocated tax
 18 proceeds in the allocation area under section 25.2 of this
 19 chapter.
- 20 (G) Reimburse the unit for expenditures made by the unit for
 21 local public improvements (which include buildings, parking
 22 facilities, and other items described in section 25.1(a) of this
 23 chapter) that are physically located in or physically connected
 24 to the allocation area.
- 25 (c) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter,
 26 the commission shall, relative to the allocation fund established under
 27 section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for an allocation area for
 28 an age-restricted housing program adopted under section 49 of this
 29 chapter, do the following before July 1 of each year:
- 30 (1) Determine the amount, if any, by which the assessed value of
 31 the taxable property in the allocation area for the most recent
 32 assessment date minus the base assessed value, when multiplied
 33 by the estimated tax rate of the allocation area, will exceed the
 34 amount of assessed value needed to produce the property taxes
 35 necessary to:
- 36 (A) make the distribution required under section ~~39(b)(2)~~
 37 **39(c)(2) or 39.8(c)(2)** of this chapter;
- 38 (B) make, when due, principal and interest payments on bonds
 39 described in section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
 40 chapter;
- 41 (C) pay the amount necessary for other purposes described in
 42 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and



- 1 (D) reimburse the county or municipality for anticipated
 2 expenditures described in subsection (b)(2).
 3 (2) Provide a written notice to the county auditor, the fiscal body
 4 of the county or municipality that established the department of
 5 redevelopment, the officers who are authorized to fix budgets, tax
 6 rates, and tax levies under IC 6-1.1-17-5 for each of the other
 7 taxing units that is wholly or partly located within the allocation
 8 area, and (in an electronic format) the department of local
 9 government finance. The notice must:
 10 (A) state the amount, if any, of excess property taxes that the
 11 commission has determined may be paid to the respective
 12 taxing units in the manner prescribed in section ~~39(b)(1)~~
 13 **39(c)(1) or 39.8(c)(1)** of this chapter; or
 14 (B) state that the commission has determined that there is no
 15 excess assessed value that may be allocated to the respective
 16 taxing units in the manner prescribed in subdivision (1).
 17 The county auditor shall allocate to the respective taxing units the
 18 amount, if any, of excess assessed value determined by the
 19 commission.
 20 SECTION 28. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,
 21 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2017]: Sec. 1. As used in this chapter, "property taxes"
 23 means:
 24 (1) property taxes, as described in:
 25 (A) IC 6-1.1-39-5(g);
 26 (B) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
 27 **(C) IC 36-7-14-39.8(b)**;
 28 ~~(D)~~ **(D)** IC 36-7-14-39.2;
 29 ~~(E)~~ **(E)** IC 36-7-14-39.3(c);
 30 ~~(F)~~ **(F)** IC 36-7-14.5-12.5;
 31 ~~(G)~~ **(G)** IC 36-7-15.1-26(a);
 32 ~~(H)~~ **(H)** IC 36-7-15.1-26.2(c);
 33 ~~(I)~~ **(I)** IC 36-7-15.1-53(a);
 34 ~~(J)~~ **(J)** IC 36-7-15.1-55(c);
 35 ~~(K)~~ **(K)** IC 36-7-30-25(a)(3);
 36 ~~(L)~~ **(L)** IC 36-7-30-26(c);
 37 ~~(M)~~ **(M)** IC 36-7-30.5-30; or
 38 ~~(N)~~ **(N)** IC 36-7-30.5-31; and
 39 (2) for allocation areas created under IC 8-22-3.5, the taxes
 40 assessed on taxable tangible property in the allocation area.
 41 SECTION 29. IC 36-7-14.5-12.5, AS AMENDED BY
 42 P.L.242-2015, SECTION 43, IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 12.5. (a) This
2 section applies only to an authority in a county having a United States
3 government military base that is scheduled for closing or is completely
4 or partially inactive or closed.

5 (b) In order to accomplish the purposes set forth in section 11 of this
6 chapter, an authority may create an economic development area:

7 (1) by following the procedures set forth in IC 36-7-14-41 for the
8 establishment of an economic development area by a
9 redevelopment commission; and

10 (2) with the same effect as if the economic development area was
11 created by a redevelopment commission.

12 The area established under this section shall be established only in the
13 area where a United States government military base that is scheduled
14 for closing or is completely or partially inactive or closed is or was
15 located.

16 (c) In order to accomplish the purposes set forth in section 11 of this
17 chapter, an authority may do the following in a manner that serves an
18 economic development area created under this section:

19 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
20 lease, or any combination of methods, any personal property or
21 interest in real property needed for the redevelopment of
22 economic development areas located within the corporate
23 boundaries of the unit.

24 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
25 other instrument), exchange, lease, rent, or otherwise dispose of
26 property acquired for use in the redevelopment of economic
27 development areas on the terms and conditions that the authority
28 considers best for the unit and the unit's inhabitants.

29 (3) Sell, lease, or grant interests in all or part of the real property
30 acquired for redevelopment purposes to any other department of
31 the unit or to any other governmental agency for public ways,
32 levees, sewerage, parks, playgrounds, schools, and other public
33 purposes on any terms that may be agreed on.

34 (4) Clear real property acquired for redevelopment purposes.

35 (5) Repair and maintain structures acquired for redevelopment
36 purposes.

37 (6) Remodel, rebuild, enlarge, or make major structural
38 improvements on structures acquired for redevelopment purposes.

39 (7) Survey or examine any land to determine whether the land
40 should be included within an economic development area to be
41 acquired for redevelopment purposes and to determine the value
42 of that land.



- 1 (8) Appear before any other department or agency of the unit, or
2 before any other governmental agency in respect to any matter
3 affecting:
4 (A) real property acquired or being acquired for
5 redevelopment purposes; or
6 (B) any economic development area within the jurisdiction of
7 the authority.
- 8 (9) Institute or defend in the name of the unit any civil action, but
9 all actions against the authority must be brought in the circuit or
10 superior court of the county where the authority is located.
- 11 (10) Use any legal or equitable remedy that is necessary or
12 considered proper to protect and enforce the rights of and perform
13 the duties of the authority.
- 14 (11) Exercise the power of eminent domain in the name of and
15 within the corporate boundaries of the unit subject to the same
16 conditions and procedures that apply to the exercise of the power
17 of eminent domain by a redevelopment commission under
18 IC 36-7-14.
- 19 (12) Appoint an executive director, appraisers, real estate experts,
20 engineers, architects, surveyors, and attorneys.
- 21 (13) Appoint clerks, guards, laborers, and other employees the
22 authority considers advisable, except that those appointments
23 must be made in accordance with the merit system of the unit if
24 such a system exists.
- 25 (14) Prescribe the duties and regulate the compensation of
26 employees of the authority.
- 27 (15) Provide a pension and retirement system for employees of
28 the authority by using the public employees' retirement fund or a
29 retirement plan approved by the United States Department of
30 Housing and Urban Development.
- 31 (16) Discharge and appoint successors to employees of the
32 authority subject to subdivision (13).
- 33 (17) Rent offices for use of the department or authority, or accept
34 the use of offices furnished by the unit.
- 35 (18) Equip the offices of the authority with the necessary
36 furniture, furnishings, equipment, records, and supplies.
- 37 (19) Design, order, contract for, and construct, reconstruct,
38 improve, or renovate the following:
39 (A) Any local public improvement or structure that is
40 necessary for redevelopment purposes or economic
41 development within the corporate boundaries of the unit.
42 (B) Any structure that enhances development or economic



- 1 development.
- 2 (20) Contract for the construction, extension, or improvement of
- 3 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
- 4 (21) Accept loans, grants, and other forms of financial assistance
- 5 from, or contract with, the federal government, the state
- 6 government, a municipal corporation, a special taxing district, a
- 7 foundation, or any other source.
- 8 (22) Make and enter into all contracts and agreements necessary
- 9 or incidental to the performance of the duties of the authority and
- 10 the execution of the powers of the authority under this chapter.
- 11 (23) Take any action necessary to implement the purpose of the
- 12 authority.
- 13 (24) Provide financial assistance, in the manner that best serves
- 14 the purposes set forth in section 11 of this chapter, including
- 15 grants and loans, to enable private enterprise to develop,
- 16 redevelop, and reuse military base property or otherwise enable
- 17 private enterprise to provide social and economic benefits to the
- 18 citizens of the unit.
- 19 (d) An authority may designate all or a portion of an economic
- 20 development area created under this section as an allocation area by
- 21 following the procedures set forth in IC 36-7-14-39 **or IC 36-7-14-39.8**
- 22 for the establishment of an allocation area by a redevelopment
- 23 commission. The allocation provision may modify the definition of
- 24 "property taxes" under ~~IC 36-7-14-39(a)~~ **IC 36-7-14-39(b) or**
- 25 **IC 36-7-14-39.8(b)** to include taxes imposed under IC 6-1.1 on the
- 26 depreciable personal property located and taxable on the site of
- 27 operations of designated taxpayers in accordance with the procedures
- 28 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
- 29 applies to such a modification. An allocation area established by an
- 30 authority under this section is a special taxing district authorized by the
- 31 general assembly to enable the unit to provide special benefits to
- 32 taxpayers in the allocation area by promoting economic development
- 33 that is of public use and benefit. For allocation areas established for an
- 34 economic development area created under this section after June 30,
- 35 1997, and to the expanded portion of an allocation area for an
- 36 economic development area that was established before June 30, 1997,
- 37 and that is expanded under this section after June 30, 1997, the net
- 38 assessed value of property that is assessed as residential property under
- 39 the rules of the department of local government finance, as finally
- 40 determined for any assessment date, must be allocated. All of the
- 41 provisions of IC 36-7-14-39 **or IC 36-7-14-39.8** apply to an allocation
- 42 area created under this section, except that the authority shall be vested



1 with the rights and duties of a commission as referenced in those
 2 sections, except that the expiration date of any allocation provision for
 3 the allocation area is the later of July 1, 2016, or the expiration date
 4 determined under ~~IC 36-7-14-39(b)~~, **IC 36-7-14-39(c) or**
 5 **IC 36-7-14-39.8(c)** and except that, notwithstanding
 6 ~~IC 36-7-14-39(b)(3)~~, **IC 36-7-14-39(c)(3) or IC 36-7-14-39.8(c)(3)**,
 7 property tax proceeds paid into the allocation fund may be used by the
 8 authority only to do one (1) or more of the following:

9 (1) Pay the principal of and interest and redemption premium on
 10 any obligations incurred by the special taxing district or any other
 11 entity for the purpose of financing or refinancing military base
 12 reuse activities in or serving or benefiting that allocation area.

13 (2) Establish, augment, or restore the debt service reserve for
 14 obligations payable solely or in part from allocated tax proceeds
 15 in that allocation area or from other revenues of the authority
 16 (including lease rental revenues).

17 (3) Make payments on leases payable solely or in part from
 18 allocated tax proceeds in that allocation area.

19 (4) Reimburse any other governmental body for expenditures
 20 made by it that benefits or provides for local public improvements
 21 or structures in or serving or benefiting that allocation area.

22 (5) Pay expenses incurred by the authority that benefit or provide
 23 for local public improvements or structures that are in the
 24 allocation area or serving or benefiting the allocation area.

25 (6) Reimburse public and private entities for expenses incurred in
 26 training employees of industrial facilities that are located:

27 (A) in the allocation area; and

28 (B) on a parcel of real property that has been classified as
 29 industrial property under the rules of the department of local
 30 government finance.

31 However, the total amount of money spent for this purpose in any
 32 year may not exceed the total amount of money in the allocation
 33 fund that is attributable to property taxes paid by the industrial
 34 facilities described in clause (B). The reimbursements under this
 35 subdivision must be made within three (3) years after the date on
 36 which the investments that are the basis for the increment
 37 financing are made.

38 (e) In addition to other methods of raising money for property
 39 acquisition, redevelopment, or economic development activities in or
 40 directly serving or benefiting an economic development area created
 41 by an authority under this section, and in anticipation of the taxes
 42 allocated under subsection (d), other revenues of the authority, or any



1 combination of these sources, the authority may, by resolution, issue
2 the bonds of the special taxing district in the name of the unit. Bonds
3 issued under this section may be issued in any amount without
4 limitation. The following apply if such a resolution is adopted:

5 (1) The authority shall certify a copy of the resolution authorizing
6 the bonds to the municipal or county fiscal officer, who shall then
7 prepare the bonds. The seal of the unit must be impressed on the
8 bonds, or a facsimile of the seal must be printed on the bonds.

9 (2) The bonds must be executed by the appropriate officer of the
10 unit and attested by the unit's fiscal officer.

11 (3) The bonds are exempt from taxation for all purposes.

12 (4) Bonds issued under this section may be sold at public sale in
13 accordance with IC 5-1-11 or at a negotiated sale.

14 (5) The bonds are not a corporate obligation of the unit but are an
15 indebtedness of the taxing district. The bonds and interest are
16 payable, as set forth in the bond resolution of the authority:

17 (A) from the tax proceeds allocated under subsection (d);

18 (B) from other revenues available to the authority; or

19 (C) from a combination of the methods stated in clauses (A)
20 and (B).

21 (6) Proceeds from the sale of bonds may be used to pay the cost
22 of interest on the bonds for a period not to exceed five (5) years
23 from the date of issuance.

24 (7) Laws relating to the filing of petitions requesting the issuance
25 of bonds and the right of taxpayers and voters to remonstrate
26 against the issuance of bonds do not apply to bonds issued under
27 this section.

28 (8) If a debt service reserve is created from the proceeds of bonds,
29 the debt service reserve may be used to pay principal and interest
30 on the bonds as provided in the bond resolution.

31 (9) If bonds are issued under this chapter that are payable solely
32 or in part from revenues to the authority from a project or
33 projects, the authority may adopt a resolution or trust indenture or
34 enter into covenants as is customary in the issuance of revenue
35 bonds. The resolution or trust indenture may pledge or assign the
36 revenues from the project or projects. The resolution or trust
37 indenture may also contain any provisions for protecting and
38 enforcing the rights and remedies of the bond owners as may be
39 reasonable and proper and not in violation of law, including
40 covenants setting forth the duties of the authority. The authority
41 may establish fees and charges for the use of any project and
42 covenant with the owners of any bonds to set those fees and



1 charges at a rate sufficient to protect the interest of the owners of
 2 the bonds. Any revenue bonds issued by the authority that are
 3 payable solely from revenues of the authority shall contain a
 4 statement to that effect in the form of bond.

5 (f) Notwithstanding section 8(a) of this chapter, an ordinance
 6 adopted under section 11 of this chapter may provide, or be amended
 7 to provide, that the board of directors of the authority shall be
 8 composed of not fewer than three (3) nor more than eleven (11)
 9 members, who must be residents of or be employed at a place of
 10 employment located within the unit. The members shall be appointed
 11 by the executive of the unit.

12 (g) The acquisition of real and personal property by an authority
 13 under this section is not subject to the provisions of IC 5-22,
 14 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
 15 purchase of property by public bodies or their agencies.

16 (h) An authority may negotiate for the sale, lease, or other
 17 disposition of real and personal property without complying with the
 18 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other
 19 statute governing the disposition of public property.

20 (i) Notwithstanding any other law, utility services provided within
 21 an economic development area established under this section are
 22 subject to regulation by the appropriate regulatory agencies unless the
 23 utility service is provided by a utility that provides utility service solely
 24 within the geographic boundaries of an existing or a closed military
 25 installation, in which case the utility service is not subject to regulation
 26 for purposes of rate making, regulation, service delivery, or issuance of
 27 bonds or other forms of indebtedness. However, this exemption from
 28 regulation does not apply to utility service if the service is generated,
 29 treated, or produced outside the boundaries of the existing or closed
 30 military installation.

31 SECTION 30. IC 36-7-30-25, AS AMENDED BY P.L.95-2014,
 32 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2017]: Sec. 25. (a) The following definitions apply
 34 throughout this section:

35 (1) "Allocation area" means that part of a military base reuse area
 36 to which an allocation provision of a declaratory resolution
 37 adopted under section 10 of this chapter refers for purposes of
 38 distribution and allocation of property taxes.

39 (2) "Base assessed value" means:

40 (A) the net assessed value of all the property as finally
 41 determined for the assessment date immediately preceding the
 42 adoption date of the allocation provision of the declaratory



1 resolution, as adjusted under subsection (h); plus
 2 (B) to the extent that it is not included in clause (A) or (C), the
 3 net assessed value of any and all parcels or classes of parcels
 4 identified as part of the base assessed value in the declaratory
 5 resolution or an amendment thereto, as finally determined for
 6 any subsequent assessment date; plus
 7 (C) to the extent that it is not included in clause (A) or (B), the
 8 net assessed value of property that is assessed as residential
 9 property under the rules of the department of local government
 10 finance, as finally determined for any assessment date after the
 11 effective date of the allocation provision.

12 Clause (C) applies only to allocation areas established in a
 13 military reuse area after June 30, 1997, and to the part of an
 14 allocation area that was established before June 30, 1997, and that
 15 is added to an existing allocation area after June 30, 1997.

16 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 17 property.

18 (b) A declaratory resolution adopted under section 10 of this chapter
 19 before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c)** or
 20 **IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under
 21 IC 36-7-14-15 may include a provision with respect to the allocation
 22 and distribution of property taxes for the purposes and in the manner
 23 provided in this section. A declaratory resolution previously adopted
 24 may include an allocation provision by the amendment of that
 25 declaratory resolution in accordance with the procedures set forth in
 26 section 13 of this chapter. The allocation provision may apply to all or
 27 part of the military base reuse area. The allocation provision must
 28 require that any property taxes subsequently levied by or for the benefit
 29 of any public body entitled to a distribution of property taxes on taxable
 30 property in the allocation area be allocated and distributed as follows:

31 (1) Except as otherwise provided in this section, the proceeds of
 32 the taxes attributable to the lesser of:

33 (A) the assessed value of the property for the assessment date
 34 with respect to which the allocation and distribution is made;

35 or

36 (B) the base assessed value;

37 shall be allocated to and, when collected, paid into the funds of
 38 the respective taxing units.

39 (2) The excess of the proceeds of the property taxes imposed for
 40 the assessment date with respect to which the allocation and
 41 distribution are made that are attributable to taxes imposed after
 42 being approved by the voters in a referendum or local public



1 question conducted after April 30, 2010, not otherwise included
 2 in subdivision (1) shall be allocated to and, when collected, paid
 3 into the funds of the taxing unit for which the referendum or local
 4 public question was conducted.

5 (3) Except as otherwise provided in this section, property tax
 6 proceeds in excess of those described in subdivisions (1) and (2)
 7 shall be allocated to the military base reuse district and, when
 8 collected, paid into an allocation fund for that allocation area that
 9 may be used by the military base reuse district and only to do one
 10 (1) or more of the following:

11 (A) Pay the principal of and interest and redemption premium
 12 on any obligations incurred by the military base reuse district
 13 or any other entity for the purpose of financing or refinancing
 14 military base reuse activities in or directly serving or
 15 benefiting that allocation area.

16 (B) Establish, augment, or restore the debt service reserve for
 17 bonds payable solely or in part from allocated tax proceeds in
 18 that allocation area or from other revenues of the reuse
 19 authority, including lease rental revenues.

20 (C) Make payments on leases payable solely or in part from
 21 allocated tax proceeds in that allocation area.

22 (D) Reimburse any other governmental body for expenditures
 23 made for local public improvements (or structures) in or
 24 directly serving or benefiting that allocation area.

25 (E) Pay expenses incurred by the reuse authority, any other
 26 department of the unit, or a department of another
 27 governmental entity for local public improvements or
 28 structures that are in the allocation area or directly serving or
 29 benefiting the allocation area, including expenses for the
 30 operation and maintenance of these local public improvements
 31 or structures if the reuse authority determines those operation
 32 and maintenance expenses are necessary or desirable to carry
 33 out the purposes of this chapter.

34 (F) Reimburse public and private entities for expenses
 35 incurred in training employees of industrial facilities that are
 36 located:

37 (i) in the allocation area; and

38 (ii) on a parcel of real property that has been classified as
 39 industrial property under the rules of the department of local
 40 government finance.

41 However, the total amount of money spent for this purpose in
 42 any year may not exceed the total amount of money in the



- 1 allocation fund that is attributable to property taxes paid by the
 2 industrial facilities described in this clause. The
 3 reimbursements under this clause must be made not more than
 4 three (3) years after the date on which the investments that are
 5 the basis for the increment financing are made.
- 6 (G) Expend money and provide financial assistance as
 7 authorized in section 9(a)(25) of this chapter.
- 8 Except as provided in clause (E), the allocation fund may not be
 9 used for operating expenses of the reuse authority.
- 10 (4) Except as provided in subsection (g), before July 15 of each
 11 year the reuse authority shall do the following:
- 12 (A) Determine the amount, if any, by which property taxes
 13 payable to the allocation fund in the following year will exceed
 14 the amount of property taxes necessary to make, when due,
 15 principal and interest payments on bonds described in
 16 subdivision (3) plus the amount necessary for other purposes
 17 described in subdivision (3).
- 18 (B) Provide a written notice to the county auditor, the fiscal
 19 body of the unit that established the reuse authority, and the
 20 officers who are authorized to fix budgets, tax rates, and tax
 21 levies under IC 6-1.1-17-5 for each of the other taxing units
 22 that is wholly or partly located within the allocation area. The
 23 notice must:
- 24 (i) state the amount, if any, of excess property taxes that the
 25 reuse authority has determined may be paid to the respective
 26 taxing units in the manner prescribed in subdivision (1); or
 27 (ii) state that the reuse authority has determined that there
 28 are no excess property tax proceeds that may be allocated to
 29 the respective taxing units in the manner prescribed in
 30 subdivision (1).
- 31 The county auditor shall allocate to the respective taxing units
 32 the amount, if any, of excess property tax proceeds determined
 33 by the reuse authority. The reuse authority may not authorize
 34 a payment to the respective taxing units under this subdivision
 35 if to do so would endanger the interest of the holders of bonds
 36 described in subdivision (3) or lessors under section 19 of this
 37 chapter.
- 38 (c) For the purpose of allocating taxes levied by or for any taxing
 39 unit or units, the assessed value of taxable property in a territory in the
 40 allocation area that is annexed by a taxing unit after the effective date
 41 of the allocation provision of the declaratory resolution is the lesser of:
 42 (1) the assessed value of the property for the assessment date with



- 1 respect to which the allocation and distribution is made; or
2 (2) the base assessed value.
- 3 (d) Property tax proceeds allocable to the military base reuse district
4 under subsection (b)(3) may, subject to subsection (b)(4), be
5 irrevocably pledged by the military base reuse district for payment as
6 set forth in subsection (b)(3).
- 7 (e) Notwithstanding any other law, each assessor shall, upon
8 petition of the reuse authority, reassess the taxable property situated
9 upon or in or added to the allocation area, effective on the next
10 assessment date after the petition.
- 11 (f) Notwithstanding any other law, the assessed value of all taxable
12 property in the allocation area, for purposes of tax limitation, property
13 tax replacement, and the making of the budget, tax rate, and tax levy
14 for each political subdivision in which the property is located is the
15 lesser of:
- 16 (1) the assessed value of the property as valued without regard to
17 this section; or
18 (2) the base assessed value.
- 19 (g) If any part of the allocation area is located in an enterprise zone
20 created under IC 5-28-15, the unit that designated the allocation area
21 shall create funds as specified in this subsection. A unit that has
22 obligations, bonds, or leases payable from allocated tax proceeds under
23 subsection (b)(3) shall establish an allocation fund for the purposes
24 specified in subsection (b)(3) and a special zone fund. Such a unit
25 shall, until the end of the enterprise zone phase out period, deposit each
26 year in the special zone fund any amount in the allocation fund derived
27 from property tax proceeds in excess of those described in subsection
28 (b)(1) and (b)(2) from property located in the enterprise zone that
29 exceeds the amount sufficient for the purposes specified in subsection
30 (b)(3) for the year. The amount sufficient for purposes specified in
31 subsection (b)(3) for the year shall be determined based on the pro rata
32 part of such current property tax proceeds from the part of the
33 enterprise zone that is within the allocation area as compared to all
34 such current property tax proceeds derived from the allocation area. A
35 unit that does not have obligations, bonds, or leases payable from
36 allocated tax proceeds under subsection (b)(3) shall establish a special
37 zone fund and deposit all the property tax proceeds in excess of those
38 described in subsection (b)(1) and (b)(2) that are derived from property
39 in the enterprise zone in the fund. The unit that creates the special zone
40 fund shall use the fund (based on the recommendations of the urban
41 enterprise association) for programs in job training, job enrichment,
42 and basic skill development that are designed to benefit residents and



1 employers in the enterprise zone or other purposes specified in
 2 subsection (b)(3), except that where reference is made in subsection
 3 (b)(3) to allocation area it shall refer for purposes of payments from the
 4 special zone fund only to that part of the allocation area that is also
 5 located in the enterprise zone. The programs shall reserve at least
 6 one-half (1/2) of their enrollment in any session for residents of the
 7 enterprise zone.

8 (h) After each general reassessment of real property in an area under
 9 IC 6-1.1-4-4 or reassessment under the county's reassessment plan
 10 under IC 6-1.1-4-4.2, the department of local government finance shall
 11 adjust the base assessed value one (1) time to neutralize any effect of
 12 the reassessment of the real property in the area on the property tax
 13 proceeds allocated to the military base reuse district under this section.
 14 After each annual adjustment under IC 6-1.1-4-4.5, the department of
 15 local government finance shall adjust the base assessed value to
 16 neutralize any effect of the annual adjustment on the property tax
 17 proceeds allocated to the military base reuse district under this section.
 18 However, the adjustments under this subsection may not include the
 19 effect of property tax abatements under IC 6-1.1-12.1, and these
 20 adjustments may not produce less property tax proceeds allocable to
 21 the military base reuse district under subsection (b)(3) than would
 22 otherwise have been received if the general reassessment, reassessment
 23 under the county's reassessment plan, or annual adjustment had not
 24 occurred. The department of local government finance may prescribe
 25 procedures for county and township officials to follow to assist the
 26 department in making the adjustments.

27 SECTION 31. IC 36-7-30.5-30, AS AMENDED BY P.L.95-2014,
 28 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2017]: Sec. 30. (a) The following definitions apply
 30 throughout this section:

31 (1) "Allocation area" means that part of a military base
 32 development area to which an allocation provision of a
 33 declaratory resolution adopted under section 16 of this chapter
 34 refers for purposes of distribution and allocation of property taxes.

35 (2) "Base assessed value" means:

36 (A) the net assessed value of all the property as finally
 37 determined for the assessment date immediately preceding the
 38 adoption date of the allocation provision of the declaratory
 39 resolution, as adjusted under subsection (h); plus

40 (B) to the extent that it is not included in clause (A) or (C), the
 41 net assessed value of any and all parcels or classes of parcels
 42 identified as part of the base assessed value in the declaratory



1 resolution or an amendment to the declaratory resolution, as
 2 finally determined for any subsequent assessment date; plus
 3 (C) to the extent that it is not included in clause (A) or (B), the
 4 net assessed value of property that is assessed as residential
 5 property under the rules of the department of local government
 6 finance, as finally determined for any assessment date after the
 7 effective date of the allocation provision.

8 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 9 property.

10 (b) A declaratory resolution adopted under section 16 of this chapter
 11 before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c) or**
 12 **IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under
 13 IC 36-7-14-15 may include a provision with respect to the allocation
 14 and distribution of property taxes for the purposes and in the manner
 15 provided in this section. A declaratory resolution previously adopted
 16 may include an allocation provision by the amendment of that
 17 declaratory resolution in accordance with the procedures set forth in
 18 section 18 of this chapter. The allocation provision may apply to all or
 19 part of the military base development area. The allocation provision
 20 must require that any property taxes subsequently levied by or for the
 21 benefit of any public body entitled to a distribution of property taxes on
 22 taxable property in the allocation area be allocated and distributed as
 23 follows:

24 (1) Except as otherwise provided in this section, the proceeds of
 25 the taxes attributable to the lesser of:

26 (A) the assessed value of the property for the assessment date
 27 with respect to which the allocation and distribution is made;
 28 or

29 (B) the base assessed value;

30 shall be allocated to and, when collected, paid into the funds of
 31 the respective taxing units.

32 (2) The excess of the proceeds of the property taxes imposed for
 33 the assessment date with respect to which the allocation and
 34 distribution is made that are attributable to taxes imposed after
 35 being approved by the voters in a referendum or local public
 36 question conducted after April 30, 2010, not otherwise included
 37 in subdivision (1) shall be allocated to and, when collected, paid
 38 into the funds of the taxing unit for which the referendum or local
 39 public question was conducted.

40 (3) Except as otherwise provided in this section, property tax
 41 proceeds in excess of those described in subdivisions (1) and (2)
 42 shall be allocated to the development authority and, when



1 collected, paid into an allocation fund for that allocation area that
 2 may be used by the development authority and only to do one (1)
 3 or more of the following:

4 (A) Pay the principal of and interest and redemption premium
 5 on any obligations incurred by the development authority or
 6 any other entity for the purpose of financing or refinancing
 7 military base development or reuse activities in or directly
 8 serving or benefiting that allocation area.

9 (B) Establish, augment, or restore the debt service reserve for
 10 bonds payable solely or in part from allocated tax proceeds in
 11 that allocation area or from other revenues of the development
 12 authority, including lease rental revenues.

13 (C) Make payments on leases payable solely or in part from
 14 allocated tax proceeds in that allocation area.

15 (D) Reimburse any other governmental body for expenditures
 16 made for local public improvements (or structures) in or
 17 directly serving or benefiting that allocation area.

18 (E) For property taxes first due and payable before 2009, pay
 19 all or a part of a property tax replacement credit to taxpayers
 20 in an allocation area as determined by the development
 21 authority. This credit equals the amount determined under the
 22 following STEPS for each taxpayer in a taxing district (as
 23 defined in IC 6-1.1-1-20) that contains all or part of the
 24 allocation area:

25 STEP ONE: Determine that part of the sum of the amounts
 26 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 27 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 28 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 29 the taxing district.

30 STEP TWO: Divide:

31 (i) that part of each county's eligible property tax
 32 replacement amount (as defined in IC 6-1.1-21-2 (before its
 33 repeal)) for that year as determined under IC 6-1.1-21-4
 34 (before its repeal) that is attributable to the taxing district;
 35 by

36 (ii) the STEP ONE sum.

37 STEP THREE: Multiply:

38 (i) the STEP TWO quotient; by

39 (ii) the total amount of the taxpayer's taxes (as defined in
 40 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
 41 that have been allocated during that year to an allocation
 42 fund under this section.



- 1 If not all the taxpayers in an allocation area receive the credit
 2 in full, each taxpayer in the allocation area is entitled to
 3 receive the same proportion of the credit. A taxpayer may not
 4 receive a credit under this section and a credit under section
 5 32 of this chapter (before its repeal) in the same year.
- 6 (F) Pay expenses incurred by the development authority for
 7 local public improvements or structures that were in the
 8 allocation area or directly serving or benefiting the allocation
 9 area.
- 10 (G) Reimburse public and private entities for expenses
 11 incurred in training employees of industrial facilities that are
 12 located:
- 13 (i) in the allocation area; and
 - 14 (ii) on a parcel of real property that has been classified as
 15 industrial property under the rules of the department of local
 16 government finance.
- 17 However, the total amount of money spent for this purpose in
 18 any year may not exceed the total amount of money in the
 19 allocation fund that is attributable to property taxes paid by the
 20 industrial facilities described in this clause. The
 21 reimbursements under this clause must be made not more than
 22 three (3) years after the date on which the investments that are
 23 the basis for the increment financing are made.
- 24 (H) Expend money and provide financial assistance as
 25 authorized in section 15(26) of this chapter.
- 26 The allocation fund may not be used for operating expenses of the
 27 development authority.
- 28 (4) Except as provided in subsection (g), before July 15 of each
 29 year the development authority shall do the following:
- 30 (A) Determine the amount, if any, by which property taxes
 31 payable to the allocation fund in the following year will exceed
 32 the amount of property taxes necessary to make, when due,
 33 principal and interest payments on bonds described in
 34 subdivision (3) plus the amount necessary for other purposes
 35 described in subdivisions (2) and (3).
 - 36 (B) Provide a written notice to the appropriate county auditors
 37 and the fiscal bodies and other officers who are authorized to
 38 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 39 each of the other taxing units that is wholly or partly located
 40 within the allocation area. The notice must:
 - 41 (i) state the amount, if any, of the excess property taxes that
 42 the development authority has determined may be paid to



1 the respective taxing units in the manner prescribed in
2 subdivision (1); or

3 (ii) state that the development authority has determined that
4 there is no excess assessed value that may be allocated to the
5 respective taxing units in the manner prescribed in
6 subdivision (1).

7 The county auditors shall allocate to the respective taxing units
8 the amount, if any, of excess assessed value determined by the
9 development authority. The development authority may not
10 authorize a payment to the respective taxing units under this
11 subdivision if to do so would endanger the interest of the
12 holders of bonds described in subdivision (3) or lessors under
13 section 24 of this chapter. Property taxes received by a taxing
14 unit under this subdivision before 2009 are eligible for the
15 property tax replacement credit provided under IC 6-1.1-21
16 (before its repeal).

17 (c) For the purpose of allocating taxes levied by or for any taxing
18 unit or units, the assessed value of taxable property in a territory in the
19 allocation area that is annexed by a taxing unit after the effective date
20 of the allocation provision of the declaratory resolution is the lesser of:

- 21 (1) the assessed value of the property for the assessment date with
22 respect to which the allocation and distribution is made; or
23 (2) the base assessed value.

24 (d) Property tax proceeds allocable to the military base development
25 district under subsection (b)(3) may, subject to subsection (b)(4), be
26 irrevocably pledged by the military base development district for
27 payment as set forth in subsection (b)(3).

28 (e) Notwithstanding any other law, each assessor shall, upon
29 petition of the development authority, reassess the taxable property
30 situated upon or in or added to the allocation area, effective on the next
31 assessment date after the petition.

32 (f) Notwithstanding any other law, the assessed value of all taxable
33 property in the allocation area, for purposes of tax limitation, property
34 tax replacement, and the making of the budget, tax rate, and tax levy
35 for each political subdivision in which the property is located is the
36 lesser of:

- 37 (1) the assessed value of the property as valued without regard to
38 this section; or
39 (2) the base assessed value.

40 (g) If any part of the allocation area is located in an enterprise zone
41 created under IC 5-28-15, the development authority shall create funds
42 as specified in this subsection. A development authority that has



1 obligations, bonds, or leases payable from allocated tax proceeds under
2 subsection (b)(3) shall establish an allocation fund for the purposes
3 specified in subsection (b)(3) and a special zone fund. The
4 development authority shall, until the end of the enterprise zone phase
5 out period, deposit each year in the special zone fund any amount in the
6 allocation fund derived from property tax proceeds in excess of those
7 described in subsection (b)(1) and (b)(2) from property located in the
8 enterprise zone that exceeds the amount sufficient for the purposes
9 specified in subsection (b)(3) for the year. The amount sufficient for
10 purposes specified in subsection (b)(3) for the year shall be determined
11 based on the pro rata part of such current property tax proceeds from
12 the part of the enterprise zone that is within the allocation area as
13 compared to all such current property tax proceeds derived from the
14 allocation area. A development authority that does not have
15 obligations, bonds, or leases payable from allocated tax proceeds under
16 subsection (b)(3) shall establish a special zone fund and deposit all the
17 property tax proceeds in excess of those described in subsection (b)(1)
18 and (b)(2) that are derived from property in the enterprise zone in the
19 fund. The development authority that creates the special zone fund
20 shall use the fund (based on the recommendations of the urban
21 enterprise association) for programs in job training, job enrichment,
22 and basic skill development that are designed to benefit residents and
23 employers in the enterprise zone or for other purposes specified in
24 subsection (b)(3), except that where reference is made in subsection
25 (b)(3) to an allocation area it shall refer for purposes of payments from
26 the special zone fund only to that part of the allocation area that is also
27 located in the enterprise zone. The programs shall reserve at least
28 one-half (1/2) of their enrollment in any session for residents of the
29 enterprise zone.

30 (h) After each general reassessment of real property in an area under
31 IC 6-1.1-4-4 or reassessment under a reassessment plan prepared under
32 IC 6-1.1-4-4.2, the department of local government finance shall adjust
33 the base assessed value one (1) time to neutralize any effect of the
34 reassessment of the real property in the area on the property tax
35 proceeds allocated to the military base development district under this
36 section. After each annual adjustment under IC 6-1.1-4-4.5, the
37 department of local government finance shall adjust the base assessed
38 value to neutralize any effect of the annual adjustment on the property
39 tax proceeds allocated to the military base development district under
40 this section. However, the adjustments under this subsection may not
41 include the effect of property tax abatements under IC 6-1.1-12.1, and
42 these adjustments may not produce less property tax proceeds allocable



1 to the military base development district under subsection (b)(3) than
2 would otherwise have been received if the general reassessment,
3 reassessment under the county's reassessment plan, or annual
4 adjustment had not occurred. The department of local government
5 finance may prescribe procedures for county and township officials to
6 follow to assist the department in making the adjustments.

