



February 6, 2015

SENATE BILL No. 567

DIGEST OF SB 567 (Updated February 4, 2015 5:05 pm - DI 87)

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions and authorities. Requires a redevelopment commission or redevelopment authority to hold an organizational meeting on a day in January that is not a Saturday, a Sunday, or a legal holiday and that is their first meeting day of the year. Requires the treasurer of a redevelopment commission to report annually to the redevelopment commission before March 1 (rather than reporting to the fiscal body of the unit before July 1, under current law). Requires the treasurer of a redevelopment authority to report annually to the redevelopment authority before March 1 (rather than reporting to the fiscal body of the unit before July 1, under current law). Requires redevelopment commissions and redevelopment authorities to report annually to the unit's executive and fiscal body and the department of local government finance before March 15. Specifies that certain information currently reported annually by redevelopment commissions before August 1 shall instead be included with the March 15 report. Specifies information to be included in the annual report of a redevelopment authority.

Effective: January 1, 2016.

Miller Pete

January 20, 2015, read first time and referred to Committee on Local Government.
February 5, 2015, amended, reported favorably — Do Pass.

SB 567—LS 6789/DI 73



February 6, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 567

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 36-7-14-8, AS AMENDED BY P.L.149-2014,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2016]: Sec. 8. (a) The redevelopment commissioners
4 shall hold a meeting for the purpose of organization not later than thirty
5 (30) days after they are appointed and, after that, each year on ~~the first~~
6 ~~day a day~~ in January that is not a Saturday, a Sunday, or a legal holiday
7 **and that is their first meeting day of the year.** They shall choose one
8 (1) of their members as president, another as vice president, and
9 another as secretary. These officers shall perform the duties usually
10 pertaining to their offices and shall serve from the date of their election
11 until their successors are elected and qualified.
12 (b) The fiscal officer of the unit establishing a redevelopment
13 commission is the treasurer of the redevelopment commission.
14 Notwithstanding any other provision of this chapter, the treasurer has
15 charge over and is responsible for the administration, investment, and
16 disbursement of all funds and accounts of the redevelopment

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1 commission in accordance with the requirements of state laws that
 2 apply to other funds and accounts administered by the fiscal officer.
 3 The treasurer shall report annually to the ~~fiscal body of the unit~~
 4 **redevelopment commission** before ~~July~~ **March 1**.

5 (c) The redevelopment commissioners may adopt the rules and
 6 bylaws they consider necessary for the proper conduct of their
 7 proceedings, the carrying out of their duties, and the safeguarding of
 8 the money and property placed in their custody by this chapter. In
 9 addition to the annual meeting, the commissioners may, by resolution
 10 or in accordance with their rules and bylaws, prescribe the date and
 11 manner of notice of other regular or special meetings.

12 (d) This subsection does not apply to a county redevelopment
 13 commission that consists of seven (7) members. Three (3) of the
 14 redevelopment commissioners constitute a quorum, and the
 15 concurrence of three (3) commissioners is necessary to authorize any
 16 action.

17 (e) This subsection applies only to a county redevelopment
 18 commission that consists of seven (7) members. Four (4) of the
 19 redevelopment commissioners constitute a quorum, and the
 20 concurrence of four (4) commissioners is necessary to authorize any
 21 action.

22 SECTION 2. IC 36-7-14-13, AS AMENDED BY THE
 23 TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL
 24 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JANUARY 1, 2016]: Sec. 13. (a) Not later than March 15 of each year,
 26 the redevelopment commissioners or their designees shall file with the
 27 unit's executive **and fiscal body** a report setting out their activities
 28 during the preceding calendar year.

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

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



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

3 (e) ~~Before August 1 each year, the redevelopment commissioners~~
4 ~~shall also submit a report to the fiscal body of the unit.~~ The report
5 **required under subsection (a)** must **also** include the following
6 information set forth for each tax increment financing district regarding
7 the previous year:

8 (1) Revenues received.

9 (2) Expenses paid.

10 (3) Fund balances.

11 (4) The amount and maturity date for all outstanding obligations.

12 (5) The amount paid on outstanding obligations.

13 (6) A list of all the parcels included in each tax increment
14 financing district allocation area and the base assessed value and
15 incremental assessed value for each parcel in the list.

16 ~~Before October 1 each year, the fiscal body shall compile the reports~~
17 ~~received for all the tax increment financing districts and submit a~~
18 ~~comprehensive report to the department of local government finance~~
19 ~~in the form required by the department of local government finance.~~

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

24 SECTION 3. IC 36-7-14-39, AS AMENDED BY P.L.95-2014,
25 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2016]: Sec. 39. (a) As used in this section:

27 "Allocation area" means that part of a redevelopment project area
28 to which an allocation provision of a declaratory resolution adopted
29 under section 15 of this chapter refers for purposes of distribution and
30 allocation of property taxes.

31 "Base assessed value" means the following:

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

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

39 (B) to the extent that it is not included in clause (A), the net
40 assessed value of property that is assessed as residential
41 property under the rules of the department of local government
42 finance, as finally determined for any assessment date after the



- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a
3 declaratory resolution or an amendment to a declaratory
4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
6 determined for the assessment date immediately preceding the
7 effective date of the allocation provision of the declaratory
8 resolution, as adjusted under subsection (h); plus
9 (B) to the extent that it is not included in clause (A), the net
10 assessed value of property that is assessed as residential
11 property under the rules of the department of local government
12 finance, as finally determined for any assessment date after the
13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in
16 a declaratory resolution or an amendment to a declaratory
17 resolution establishing a redevelopment project area expires
18 after June 30, 1997; and
19 (B) after June 30, 1997, a new allocation provision is included
20 in an amendment to the declaratory resolution;
21 the net assessed value of all the property as finally determined for
22 the assessment date immediately preceding the effective date of
23 the allocation provision adopted after June 30, 1997, as adjusted
24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation
26 areas, the net assessed value of all the property as finally
27 determined for the assessment date immediately preceding the
28 effective date of the allocation provision of the declaratory
29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development
31 area before July 1, 1995, is expanded after June 30, 1995, the
32 definition in subdivision (1) applies to the expanded part of the
33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project
35 area before July 1, 1997, is expanded after June 30, 1997, the
36 definition in subdivision (2) applies to the expanded part of the
37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"
39 means taxes imposed under IC 6-1.1 on real property. However, upon
40 approval by a resolution of the redevelopment commission adopted
41 before June 1, 1987, "property taxes" also includes taxes imposed
42 under IC 6-1.1 on depreciable personal property. If a redevelopment



1 commission adopted before June 1, 1987, a resolution to include within
2 the definition of property taxes, taxes imposed under IC 6-1.1 on
3 depreciable personal property that has a useful life in excess of eight
4 (8) years, the commission may by resolution determine the percentage
5 of taxes imposed under IC 6-1.1 on all depreciable personal property
6 that will be included within the definition of property taxes. However,
7 the percentage included must not exceed twenty-five percent (25%) of
8 the taxes imposed under IC 6-1.1 on all depreciable personal property.

9 (b) A declaratory resolution adopted under section 15 of this chapter
10 on or before the allocation deadline determined under subsection (i)
11 may include a provision with respect to the allocation and distribution
12 of property taxes for the purposes and in the manner provided in this
13 section. A declaratory resolution previously adopted may include an
14 allocation provision by the amendment of that declaratory resolution on
15 or before the allocation deadline determined under subsection (i) in
16 accordance with the procedures required for its original adoption. A
17 declaratory resolution or amendment that establishes an allocation
18 provision must include a specific finding of fact, supported by
19 evidence, that the adoption of the allocation provision will result in
20 new property taxes in the area that would not have been generated but
21 for the adoption of the allocation provision. For an allocation area
22 established before July 1, 1995, the expiration date of any allocation
23 provisions for the allocation area is June 30, 2025, or the last date of
24 any obligations that are outstanding on July 1, 2015, whichever is later.
25 A declaratory resolution or an amendment that establishes an allocation
26 provision after June 30, 1995, must specify an expiration date for the
27 allocation provision. For an allocation area established before July 1,
28 2008, the expiration date may not be more than thirty (30) years after
29 the date on which the allocation provision is established. For an
30 allocation area established after June 30, 2008, the expiration date may
31 not be more than twenty-five (25) years after the date on which the first
32 obligation was incurred to pay principal and interest on bonds or lease
33 rentals on leases payable from tax increment revenues. However, with
34 respect to bonds or other obligations that were issued before July 1,
35 2008, if any of the bonds or other obligations that were scheduled when
36 issued to mature before the specified expiration date and that are
37 payable only from allocated tax proceeds with respect to the allocation
38 area remain outstanding as of the expiration date, the allocation
39 provision does not expire until all of the bonds or other obligations are
40 no longer outstanding. The allocation provision may apply to all or part
41 of the redevelopment project area. The allocation provision must
42 require that any property taxes subsequently levied by or for the benefit



1 of any public body entitled to a distribution of property taxes on taxable
 2 property in the allocation area be allocated and distributed as follows:

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

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

7 or

8 (B) the base assessed value;

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

11 (2) The excess of the proceeds of the property taxes imposed for
 12 the assessment date with respect to which the allocation and
 13 distribution is made that are attributable to taxes imposed after
 14 being approved by the voters in a referendum or local public
 15 question conducted after April 30, 2010, not otherwise included
 16 in subdivision (1) shall be allocated to and, when collected, paid
 17 into the funds of the taxing unit for which the referendum or local
 18 public question was conducted.

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

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

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

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

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

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

41 (F) Make payments on leases payable from allocated tax
 42 proceeds in that allocation area under section 25.2 of this



- 1 chapter.
- 2 (G) Reimburse the unit for expenditures made by it for local
- 3 public improvements (which include buildings, parking
- 4 facilities, and other items described in section 25.1(a) of this
- 5 chapter) that are physically located in or physically connected
- 6 to that allocation area.
- 7 (H) Reimburse the unit for rentals paid by it for a building or
- 8 parking facility that is physically located in or physically
- 9 connected to that allocation area under any lease entered into
- 10 under IC 36-1-10.
- 11 (I) For property taxes first due and payable before January 1,
- 12 2009, pay all or a part of a property tax replacement credit to
- 13 taxpayers in an allocation area as determined by the
- 14 redevelopment commission. This credit equals the amount
- 15 determined under the following STEPS for each taxpayer in a
- 16 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 17 part of the allocation area:
- 18 STEP ONE: Determine that part of the sum of the amounts
- 19 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 20 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 21 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 22 the taxing district.
- 23 STEP TWO: Divide:
- 24 (i) that part of each county's eligible property tax
- 25 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 26 repeal)) for that year as determined under IC 6-1.1-21-4
- 27 (before its repeal) that is attributable to the taxing district;
- 28 by
- 29 (ii) the STEP ONE sum.
- 30 STEP THREE: Multiply:
- 31 (i) the STEP TWO quotient; times
- 32 (ii) the total amount of the taxpayer's taxes (as defined in
- 33 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
- 34 that have been allocated during that year to an allocation
- 35 fund under this section.
- 36 If not all the taxpayers in an allocation area receive the credit
- 37 in full, each taxpayer in the allocation area is entitled to
- 38 receive the same proportion of the credit. A taxpayer may not
- 39 receive a credit under this section and a credit under section
- 40 39.5 of this chapter (before its repeal) in the same year.
- 41 (J) Pay expenses incurred by the redevelopment commission
- 42 for local public improvements that are in the allocation area or



1 serving the allocation area. Public improvements include
 2 buildings, parking facilities, and other items described in
 3 section 25.1(a) of this chapter.

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

- 7 (i) in the allocation area; and
- 8 (ii) on a parcel of real property that has been classified as
 9 industrial property under the rules of the department of local
 10 government finance.

11 However, the total amount of money spent for this purpose in
 12 any year may not exceed the total amount of money in the
 13 allocation fund that is attributable to property taxes paid by the
 14 industrial facilities described in this clause. The
 15 reimbursements under this clause must be made within three
 16 (3) years after the date on which the investments that are the
 17 basis for the increment financing are made.

18 (L) Pay the costs of carrying out an eligible efficiency project
 19 (as defined in IC 36-9-41-1.5) within the unit that established
 20 the redevelopment commission. However, property tax
 21 proceeds may be used under this clause to pay the costs of
 22 carrying out an eligible efficiency project only if those
 23 property tax proceeds exceed the amount necessary to do the
 24 following:

- 25 (i) Make, when due, any payments required under clauses
 26 (A) through (K), including any payments of principal and
 27 interest on bonds and other obligations payable under this
 28 subdivision, any payments of premiums under this
 29 subdivision on the redemption before maturity of bonds, and
 30 any payments on leases payable under this subdivision.
- 31 (ii) Make any reimbursements required under this
 32 subdivision.
- 33 (iii) Pay any expenses required under this subdivision.
- 34 (iv) Establish, augment, or restore any debt service reserve
 35 under this subdivision.

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

38 The allocation fund may not be used for operating expenses of the
 39 commission.

40 (4) Except as provided in subsection (g), before July 15 1 of each
 41 year, the commission shall do the following:

- 42 (A) Determine the amount, if any, by which the assessed value



1 of the taxable property in the allocation area for the most
 2 recent assessment date minus the base assessed value, when
 3 multiplied by the estimated tax rate of the allocation area, will
 4 exceed the amount of assessed value needed to produce the
 5 property taxes necessary to make, when due, principal and
 6 interest payments on bonds described in subdivision (3), plus
 7 the amount necessary for other purposes described in
 8 subdivision (3).

9 (B) Provide a written notice to the county auditor, the fiscal
 10 body of the county or municipality that established the
 11 department of redevelopment, ~~and~~ the officers who are
 12 authorized to fix budgets, tax rates, and tax levies under
 13 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 14 or partly located within the allocation area, **and (in an**
 15 **electronic format) the department of local government**
 16 **finance**. The notice must:

17 (i) state the amount, if any, of excess assessed value that the
 18 commission has determined may be allocated to the
 19 respective taxing units in the manner prescribed in
 20 subdivision (1); or

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

24 The county auditor shall allocate to the respective taxing units
 25 the amount, if any, of excess assessed value determined by the
 26 commission. The commission may not authorize an allocation
 27 of assessed value to the respective taxing units under this
 28 subdivision if to do so would endanger the interests of the
 29 holders of bonds described in subdivision (3) or lessors under
 30 section 25.3 of this chapter.

31 (C) If:

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

37 (ii) the amount necessary for other purposes described in
 38 subdivision (3);

39 the commission shall submit to the legislative body of the unit
 40 its determination of the excess assessed value that the
 41 commission proposes to allocate to the respective taxing units
 42 in the manner prescribed in subdivision (1). The legislative



1 body of the unit may approve the commission's determination
2 or modify the amount of the excess assessed value that will be
3 allocated to the respective taxing units in the manner
4 prescribed in subdivision (1).

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

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

13 (d) Property tax proceeds allocable to the redevelopment district
14 under subsection (b)(3) may, subject to subsection (b)(4), be
15 irrevocably pledged by the redevelopment district for payment as set
16 forth in subsection (b)(3).

17 (e) Notwithstanding any other law, each assessor shall, upon
18 petition of the redevelopment commission, reassess the taxable
19 property situated upon or in, or added to, the allocation area, effective
20 on the next assessment date after the petition.

21 (f) Notwithstanding any other law, the assessed value of all taxable
22 property in the allocation area, for purposes of tax limitation, property
23 tax replacement, and formulation of the budget, tax rate, and tax levy
24 for each political subdivision in which the property is located is the
25 lesser of:

- 26 (1) the assessed value of the property as valued without regard to
27 this section; or
28 (2) the base assessed value.

29 (g) If any part of the allocation area is located in an enterprise zone
30 created under IC 5-28-15, the unit that designated the allocation area
31 shall create funds as specified in this subsection. A unit that has
32 obligations, bonds, or leases payable from allocated tax proceeds under
33 subsection (b)(3) shall establish an allocation fund for the purposes
34 specified in subsection (b)(3) and a special zone fund. Such a unit
35 shall, until the end of the enterprise zone phase out period, deposit each
36 year in the special zone fund any amount in the allocation fund derived
37 from property tax proceeds in excess of those described in subsection
38 (b)(1) and (b)(2) from property located in the enterprise zone that
39 exceeds the amount sufficient for the purposes specified in subsection
40 (b)(3) for the year. The amount sufficient for purposes specified in
41 subsection (b)(3) for the year shall be determined based on the pro rata
42 portion of such current property tax proceeds from the part of the



1 enterprise zone that is within the allocation area as compared to all
 2 such current property tax proceeds derived from the allocation area. A
 3 unit that has no obligations, bonds, or leases payable from allocated tax
 4 proceeds under subsection (b)(3) shall establish a special zone fund
 5 and deposit all the property tax proceeds in excess of those described
 6 in subsection (b)(1) and (b)(2) in the fund derived from property tax
 7 proceeds in excess of those described in subsection (b)(1) and (b)(2)
 8 from property located in the enterprise zone. The unit that creates the
 9 special zone fund shall use the fund (based on the recommendations of
 10 the urban enterprise association) for programs in job training, job
 11 enrichment, and basic skill development that are designed to benefit
 12 residents and employers in the enterprise zone or other purposes
 13 specified in subsection (b)(3), except that where reference is made in
 14 subsection (b)(3) to allocation area it shall refer for purposes of
 15 payments from the special zone fund only to that part of the allocation
 16 area that is also located in the enterprise zone. Those programs shall
 17 reserve at least one-half (1/2) of their enrollment in any session for
 18 residents of the enterprise zone.

19 (h) The state board of accounts and department of local government
 20 finance shall make the rules and prescribe the forms and procedures
 21 that they consider expedient for the implementation of this chapter.
 22 After each general reassessment of real property in an area under
 23 IC 6-1.1-4-4 and after each reassessment in an area under a
 24 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 25 local government finance shall adjust the base assessed value one (1)
 26 time to neutralize any effect of the reassessment of the real property in
 27 the area on the property tax proceeds allocated to the redevelopment
 28 district under this section. After each annual adjustment under
 29 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 30 the base assessed value one (1) time to neutralize any effect of the
 31 annual adjustment on the property tax proceeds allocated to the
 32 redevelopment district under this section. However, the adjustments
 33 under this subsection:

- 34 (1) may not include the effect of phasing in assessed value due to
- 35 property tax abatements under IC 6-1.1-12.1;
- 36 (2) may not produce less property tax proceeds allocable to the
- 37 redevelopment district under subsection (b)(3) than would
- 38 otherwise have been received if the general reassessment, the
- 39 reassessment under the reassessment plan, or the annual
- 40 adjustment had not occurred; and
- 41 (3) may decrease base assessed value only to the extent that
- 42 assessed values in the allocation area have been decreased due to



1 annual adjustments or the reassessment under the reassessment
2 plan.

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

8 (i) The allocation deadline referred to in subsection (b) is
9 determined in the following manner:

- 10 (1) The initial allocation deadline is December 31, 2011.
11 (2) Subject to subdivision (3), the initial allocation deadline and
12 subsequent allocation deadlines are automatically extended in
13 increments of five (5) years, so that allocation deadlines
14 subsequent to the initial allocation deadline fall on December 31,
15 2016, and December 31 of each fifth year thereafter.
16 (3) At least one (1) year before the date of an allocation deadline
17 determined under subdivision (2), the general assembly may enact
18 a law that:
19 (A) terminates the automatic extension of allocation deadlines
20 under subdivision (2); and
21 (B) specifically designates a particular date as the final
22 allocation deadline.

23 SECTION 4. IC 36-7-14-48, AS AMENDED BY P.L.149-2014,
24 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2016]: Sec. 48. (a) Notwithstanding section 39(a) of this
26 chapter, with respect to the allocation and distribution of property taxes
27 for the accomplishment of a program adopted under section 45 of this
28 chapter, "base assessed value" means the net assessed value of all of
29 the property, other than personal property, as finally determined for the
30 assessment date immediately preceding the effective date of the
31 allocation provision, as adjusted under section 39(h) of this chapter.

32 (b) The allocation fund established under section 39(b) of this
33 chapter for the allocation area for a program adopted under section 45
34 of this chapter may be used only for purposes related to the
35 accomplishment of the program, including the following:

- 36 (1) The construction, rehabilitation, or repair of residential units
37 within the allocation area.
38 (2) The construction, reconstruction, or repair of any
39 infrastructure (including streets, sidewalks, and sewers) within or
40 serving the allocation area.
41 (3) The acquisition of real property and interests in real property
42 within the allocation area.



- 1 (4) The demolition of real property within the allocation area.
- 2 (5) The provision of financial assistance to enable individuals and
- 3 families to purchase or lease residential units within the allocation
- 4 area. However, financial assistance may be provided only to those
- 5 individuals and families whose income is at or below the county's
- 6 median income for individuals and families, respectively.
- 7 (6) The provision of financial assistance to neighborhood
- 8 development corporations to permit them to provide financial
- 9 assistance for the purposes described in subdivision (5).
- 10 (7) For property taxes first due and payable before January 1,
- 11 2009, providing each taxpayer in the allocation area a credit for
- 12 property tax replacement as determined under subsections (c) and
- 13 (d). However, the commission may provide this credit only if the
- 14 municipal legislative body (in the case of a redevelopment
- 15 commission established by a municipality) or the county
- 16 executive (in the case of a redevelopment commission established
- 17 by a county) establishes the credit by ordinance adopted in the
- 18 year before the year in which the credit is provided.
- 19 (c) The maximum credit that may be provided under subsection
- 20 (b)(7) to a taxpayer in a taxing district that contains all or part of an
- 21 allocation area established for a program adopted under section 45 of
- 22 this chapter shall be determined as follows:
- 23 STEP ONE: Determine that part of the sum of the amounts
- 24 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
- 25 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
- 26 attributable to the taxing district.
- 27 STEP TWO: Divide:
- 28 (A) that part of each county's eligible property tax replacement
- 29 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
- 30 that year as determined under IC 6-1.1-21-4(a)(1) (before its
- 31 repeal) that is attributable to the taxing district; by
- 32 (B) the amount determined under STEP ONE.
- 33 STEP THREE: Multiply:
- 34 (A) the STEP TWO quotient; by
- 35 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before
- 36 its repeal) levied in the taxing district allocated to the
- 37 allocation fund, including the amount that would have been
- 38 allocated but for the credit.
- 39 (d) The commission may determine to grant to taxpayers in an
- 40 allocation area from its allocation fund a credit under this section, as
- 41 calculated under subsection (c). Except as provided in subsection (g),
- 42 one-half (1/2) of the credit shall be applied to each installment of taxes



1 (as defined in IC 6-1.1-21-2) (before its repeal) that under
 2 IC 6-1.1-22-9 are due and payable in a year. The commission must
 3 provide for the credit annually by a resolution and must find in the
 4 resolution the following:

5 (1) That the money to be collected and deposited in the allocation
 6 fund, based upon historical collection rates, after granting the
 7 credit will equal the amounts payable for contractual obligations
 8 from the fund, plus ten percent (10%) of those amounts.

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

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

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

18 (e) Notwithstanding section 39(b) of this chapter, the allocation
 19 fund established under section 39(b) of this chapter for the allocation
 20 area for a program adopted under section 45 of this chapter may only
 21 be used to do one (1) or more of the following:

22 (1) Accomplish one (1) or more of the actions set forth in section
 23 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter
 24 for property that is residential in nature.

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

28 The allocation fund may not be used for operating expenses of the
 29 commission.

30 (f) Notwithstanding section 39(b) of this chapter, the commission
 31 shall, relative to the allocation fund established under section 39(b) of
 32 this chapter for an allocation area for a program adopted under section
 33 45 of this chapter, do the following before July 15 1 of each year:

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

40 (A) make the distribution required under section 39(b)(2) of
 41 **this chapter;**

42 (B) make, when due, principal and interest payments on bonds



- 1 described in section 39(b)(3) of this chapter;
 2 (C) pay the amount necessary for other purposes described in
 3 section 39(b)(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, **and** the officers who are authorized to fix budgets,
 9 tax 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) of
 16 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 5. IC 36-7-14-52, AS ADDED BY P.L.7-2013,
 8 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2016]: Sec. 52. (a) Notwithstanding section 39(a) of this
 10 chapter, with respect to the allocation and distribution of property taxes
 11 for the accomplishment of the purposes of an age-restricted housing
 12 program adopted under section 49 of this chapter, "base assessed
 13 value" means the net assessed value of all of the property, other than
 14 personal property, as finally determined for the assessment date
 15 immediately preceding the effective date of the allocation provision, as
 16 adjusted under section 39(h) of this chapter.

17 (b) The allocation fund established under section 39(b) of this
 18 chapter for the allocation area for an age-restricted housing program
 19 adopted under section 49 of this chapter may be used only for purposes
 20 related to the accomplishment of the purposes of the program,
 21 including, but not limited to, the following:

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

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

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

29 (4) To do any of the following:

30 (A) Pay the principal of and interest on bonds or any other
 31 obligations payable from allocated tax proceeds in the
 32 allocation area that are incurred by the redevelopment district
 33 for the purpose of financing or refinancing the age-restricted
 34 housing program established under section 49 of this chapter
 35 for the allocation area.

36 (B) Establish, augment, or restore the debt service reserve for
 37 bonds payable solely or in part from allocated tax proceeds in
 38 the allocation area.

39 (C) Pay the principal of and interest on bonds payable from
 40 allocated tax proceeds in the allocation area and from the
 41 special tax levied under section 27 of this chapter.

42 (D) Pay the principal of and interest on bonds issued by the



- 1 unit to pay for local public improvements that are physically
 2 located in or physically connected to the allocation area.
- 3 (E) Pay premiums on the redemption before maturity of bonds
 4 payable solely or in part from allocated tax proceeds in the
 5 allocation area.
- 6 (F) Make payments on leases payable from allocated tax
 7 proceeds in the allocation area under section 25.2 of this
 8 chapter.
- 9 (G) Reimburse the unit for expenditures made by the unit for
 10 local public improvements (which include buildings, parking
 11 facilities, and other items described in section 25.1(a) of this
 12 chapter) that are physically located in or physically connected
 13 to the allocation area.
- 14 (c) Notwithstanding section 39(b) of this chapter, the commission
 15 shall, relative to the allocation fund established under section 39(b) of
 16 this chapter for an allocation area for an age-restricted housing program
 17 adopted under section 49 of this chapter, do the following before July
 18 ~~15~~ 1 of each year:
- 19 (1) Determine the amount, if any, by which the assessed value of
 20 the taxable property in the allocation area for the most recent
 21 assessment date minus the base assessed value, when multiplied
 22 by the estimated tax rate of the allocation area, will exceed the
 23 amount of assessed value needed to produce the property taxes
 24 necessary to:
- 25 (A) make the distribution required under section 39(b)(2) of
 26 this chapter;
- 27 (B) make, when due, principal and interest payments on bonds
 28 described in section 39(b)(3) of this chapter;
- 29 (C) pay the amount necessary for other purposes described in
 30 section 39(b)(3) of this chapter; and
- 31 (D) reimburse the county or municipality for anticipated
 32 expenditures described in subsection (b)(2).
- 33 (2) Provide a written notice to the county auditor, the fiscal body
 34 of the county or municipality that established the department of
 35 redevelopment, ~~and~~ the officers who are authorized to fix budgets,
 36 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
 37 taxing units that is wholly or partly located within the allocation
 38 area, **and (in an electronic format) the department of local**
 39 **government finance**. The notice must:
- 40 (A) state the amount, if any, of excess property taxes that the
 41 commission has determined may be paid to the respective
 42 taxing units in the manner prescribed in section 39(b)(1) of



1 this chapter; or

2 (B) state that the commission has determined that there is no
3 excess assessed value that may be allocated to the respective
4 taxing units in the manner prescribed in subdivision (1).

5 The county auditor shall allocate to the respective taxing units the
6 amount, if any, of excess assessed value determined by the
7 commission.

8 SECTION 6. IC 36-7-14.5-9, AS AMENDED BY P.L.149-2014,
9 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2016]: Sec. 9. (a) ~~Immediately after January 15 of~~ Each
11 year, the board shall hold an organizational meeting **on a day that is**
12 **not a Saturday, a Sunday, or a legal holiday and that is their first**
13 **meeting day of the year.** It shall elect one (1) of the members
14 president, another vice president, and another secretary-treasurer to
15 perform the duties of those offices. These officers serve from the date
16 of their election and until their successors are elected and qualified.
17 The board may elect an assistant secretary-treasurer. Before ~~July~~
18 **March 1**, the secretary-treasurer shall report annually to **the board.**

19 **(b) Not later than March 15 of each year, the board shall submit**
20 **a report setting out its activities during the preceding calendar**
21 **year to:**

22 **(1) the executive and the fiscal body of the unit that established**
23 **the redevelopment authority; and**

24 **(2) the department of local government finance in an**
25 **electronic format.**

26 **(c) The report required under subsection (b) must also include**
27 **the following information set forth for each tax increment**
28 **financing district regarding the previous year:**

29 **(1) Revenues received.**

30 **(2) Expenses paid.**

31 **(3) Fund balances.**

32 **(4) The amount and maturity date for all outstanding**
33 **obligations.**

34 **(5) The amount paid on outstanding obligations.**

35 **(6) A list of all the parcels included in each tax increment**
36 **financing district allocation area and the base assessed value**
37 **and incremental assessed value for each parcel in the list.**

38 ~~(b)~~ **(d)** Special meetings may be called by the president of the board
39 or any two (2) members of the board.

40 ~~(c)~~ **(e)** A majority of the members constitutes a quorum, and the
41 concurrence of a majority of the members is necessary to authorize any
42 action.



1 SECTION 7. IC 36-7-15.1-26, AS AMENDED BY P.L.95-2014,
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2016]: Sec. 26. (a) As used in this section:

4 "Allocation area" means that part of a redevelopment project area
 5 to which an allocation provision of a resolution adopted under section
 6 8 of this chapter refers for purposes of distribution and allocation of
 7 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); 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); 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).
 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).
 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 26.2 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) A resolution adopted under section 8 of this chapter on or before
 29 the allocation deadline determined under subsection (i) may include a
 30 provision with respect to the allocation and distribution of property
 31 taxes for the purposes and in the manner provided in this section. A
 32 resolution previously adopted may include an allocation provision by
 33 the amendment of that resolution on or before the allocation deadline
 34 determined under subsection (i) in accordance with the procedures
 35 required for its original adoption. A declaratory resolution or
 36 amendment that establishes an allocation provision must include a
 37 specific finding of fact, supported by evidence, that the adoption of the
 38 allocation provision will result in new property taxes in the area that
 39 would not have been generated but for the adoption of the allocation
 40 provision. For an allocation area established before July 1, 1995, the
 41 expiration date of any allocation provisions for the allocation area is
 42 June 30, 2025, or the last date of any obligations that are outstanding



1 on July 1, 2015, whichever is later. However, an expiration date
 2 imposed by this subsection does not apply to an allocation area
 3 identified as the Consolidated Allocation Area in the report submitted
 4 in 2013 to the fiscal body under section 36.3 of this chapter. A
 5 declaratory resolution or an amendment that establishes an allocation
 6 provision after June 30, 1995, must specify an expiration date for the
 7 allocation provision. For an allocation area established before July 1,
 8 2008, the expiration date may not be more than thirty (30) years after
 9 the date on which the allocation provision is established. For an
 10 allocation area established after June 30, 2008, the expiration date may
 11 not be more than twenty-five (25) years after the date on which the first
 12 obligation was incurred to pay principal and interest on bonds or lease
 13 rentals on leases payable from tax increment revenues. However, with
 14 respect to bonds or other obligations that were issued before July 1,
 15 2008, if any of the bonds or other obligations that were scheduled when
 16 issued to mature before the specified expiration date and that are
 17 payable only from allocated tax proceeds with respect to the allocation
 18 area remain outstanding as of the expiration date, the allocation
 19 provision does not expire until all of the bonds or other obligations are
 20 no longer outstanding. The allocation provision may apply to all or part
 21 of the redevelopment project area. The allocation provision must
 22 require that any property taxes subsequently levied by or for the benefit
 23 of any public body entitled to a distribution of property taxes on taxable
 24 property in the allocation area be allocated and distributed as follows:

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

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

30 (B) the base assessed value;

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

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

41 (3) Except as otherwise provided in this section, property tax
 42 proceeds in excess of those described in subdivisions (1) and (2)



1 shall be allocated to the redevelopment district and, when
 2 collected, paid into a special fund for that allocation area that may
 3 be used by the redevelopment district only to do one (1) or more
 4 of the following:

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

12 (C) Pay the principal of and interest on bonds payable from
 13 allocated tax proceeds in that allocation area and from the
 14 special tax levied under section 19 of this chapter.

15 (D) Pay the principal of and interest on bonds issued by the
 16 consolidated city to pay for local public improvements that are
 17 physically located in or physically connected to that allocation
 18 area.

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

22 (F) Make payments on leases payable from allocated tax
 23 proceeds in that allocation area under section 17.1 of this
 24 chapter.

25 (G) Reimburse the consolidated city for expenditures for local
 26 public improvements (which include buildings, parking
 27 facilities, and other items set forth in section 17 of this
 28 chapter) that are physically located in or physically connected
 29 to that allocation area.

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

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

36 (i) in the allocation area; and

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

40 However, the total amount of money spent for this purpose in
 41 any year may not exceed the total amount of money in the
 42 allocation fund that is attributable to property taxes paid by the



1 industrial facilities described in this clause. The
 2 reimbursements under this clause must be made within three
 3 (3) years after the date on which the investments that are the
 4 basis for the increment financing are made.
 5 (J) Pay the costs of carrying out an eligible efficiency project
 6 (as defined in IC 36-9-41-1.5) within the unit that established
 7 the redevelopment commission. However, property tax
 8 proceeds may be used under this clause to pay the costs of
 9 carrying out an eligible efficiency project only if those
 10 property tax proceeds exceed the amount necessary to do the
 11 following:
 12 (i) Make, when due, any payments required under clauses
 13 (A) through (I), including any payments of principal and
 14 interest on bonds and other obligations payable under this
 15 subdivision, any payments of premiums under this
 16 subdivision on the redemption before maturity of bonds, and
 17 any payments on leases payable under this subdivision.
 18 (ii) Make any reimbursements required under this
 19 subdivision.
 20 (iii) Pay any expenses required under this subdivision.
 21 (iv) Establish, augment, or restore any debt service reserve
 22 under this subdivision.
 23 (K) Expend money and provide financial assistance as
 24 authorized in section 7(a)(21) of this chapter.
 25 The special fund may not be used for operating expenses of the
 26 commission.
 27 (4) Before July ~~15~~ 1 of each year, the commission shall do the
 28 following:
 29 (A) Determine the amount, if any, by which the assessed value
 30 of the taxable property in the allocation area for the most
 31 recent assessment date minus the base assessed value, when
 32 multiplied by the estimated tax rate of the allocation area will
 33 exceed the amount of assessed value needed to provide the
 34 property taxes necessary to make, when due, principal and
 35 interest payments on bonds described in subdivision (3) plus
 36 the amount necessary for other purposes described in
 37 subdivision (3) and subsection (g).
 38 (B) Provide a written notice to the county auditor, the
 39 legislative body of the consolidated city, ~~and~~ the officers who
 40 are authorized to fix budgets, tax rates, and tax levies under
 41 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 42 or partly located within the allocation area, **and (in an**



1 **electronic format) the department of local government**
 2 **finance.** The notice must:

3 (i) state the amount, if any, of excess assessed value that the
 4 commission has determined may be allocated to the
 5 respective taxing units in the manner prescribed in
 6 subdivision (1); or

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

10 The county auditor shall allocate to the respective taxing units
 11 the amount, if any, of excess assessed value determined by the
 12 commission. The commission may not authorize an allocation
 13 to the respective taxing units under this subdivision if to do so
 14 would endanger the interests of the holders of bonds described
 15 in subdivision (3).

16 (C) If:

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

22 (ii) the amount necessary for other purposes described in
 23 subdivision (3) and subsection (g);

24 the commission shall submit to the legislative body of the unit
 25 the commission's determination of the excess assessed value
 26 that the commission proposes to allocate to the respective
 27 taxing units in the manner prescribed in subdivision (1). The
 28 legislative body of the unit may approve the commission's
 29 determination or modify the amount of the excess assessed
 30 value that will be allocated to the respective taxing units in the
 31 manner prescribed in subdivision (1).

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

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

38 (2) the base assessed value.

39 (d) Property tax proceeds allocable to the redevelopment district
 40 under subsection (b)(3) may, subject to subsection (b)(4), be
 41 irrevocably pledged by the redevelopment district for payment as set
 42 forth in subsection (b)(3).



1 (e) Notwithstanding any other law, each assessor shall, upon
 2 petition of the commission, reassess the taxable property situated upon
 3 or in, or added to, the allocation area, effective on the next assessment
 4 date after the petition.

5 (f) Notwithstanding any other law, the assessed value of all taxable
 6 property in the allocation area, for purposes of tax limitation, property
 7 tax replacement, and formulation of the budget, tax rate, and tax levy
 8 for each political subdivision in which the property is located is the
 9 lesser of:

- 10 (1) the assessed value of the property as valued without regard to
 11 this section; or
 12 (2) the base assessed value.

13 (g) If any part of the allocation area is located in an enterprise zone
 14 created under IC 5-28-15, the unit that designated the allocation area
 15 shall create funds as specified in this subsection. A unit that has
 16 obligations, bonds, or leases payable from allocated tax proceeds under
 17 subsection (b)(3) shall establish an allocation fund for the purposes
 18 specified in subsection (b)(3) and a special zone fund. Such a unit
 19 shall, until the end of the enterprise zone phase out period, deposit each
 20 year in the special zone fund the amount in the allocation fund derived
 21 from property tax proceeds in excess of those described in subsection
 22 (b)(1) and (b)(2) from property located in the enterprise zone that
 23 exceeds the amount sufficient for the purposes specified in subsection
 24 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 25 payable from allocated tax proceeds under subsection (b)(3) shall
 26 establish a special zone fund and deposit all the property tax proceeds
 27 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 28 derived from property tax proceeds in excess of those described in
 29 subsection (b)(1) and (b)(2) from property located in the enterprise
 30 zone. The unit that creates the special zone fund shall use the fund,
 31 based on the recommendations of the urban enterprise association, for
 32 one (1) or more of the following purposes:

- 33 (1) To pay for programs in job training, job enrichment, and basic
 34 skill development designed to benefit residents and employers in
 35 the enterprise zone. The programs must reserve at least one-half
 36 (1/2) of the enrollment in any session for residents of the
 37 enterprise zone.
 38 (2) To make loans and grants for the purpose of stimulating
 39 business activity in the enterprise zone or providing employment
 40 for enterprise zone residents in the enterprise zone. These loans
 41 and grants may be made to the following:
 42 (A) Businesses operating in the enterprise zone.



- 1 (B) Businesses that will move their operations to the enterprise
2 zone if such a loan or grant is made.
- 3 (3) To provide funds to carry out other purposes specified in
4 subsection (b)(3). However, where reference is made in
5 subsection (b)(3) to the allocation area, the reference refers for
6 purposes of payments from the special zone fund only to that part
7 of the allocation area that is also located in the enterprise zone.
- 8 (h) The state board of accounts and department of local government
9 finance shall make the rules and prescribe the forms and procedures
10 that they consider expedient for the implementation of this chapter.
11 After each general reassessment of real property in an area under
12 IC 6-1.1-4-4 and after each reassessment under a reassessment plan
13 prepared under IC 6-1.1-4-4.2, the department of local government
14 finance shall adjust the base assessed value one (1) time to neutralize
15 any effect of the reassessment of the real property in the area on the
16 property tax proceeds allocated to the redevelopment district under this
17 section. After each annual adjustment under IC 6-1.1-4-4.5, the
18 department of local government finance shall adjust the base assessed
19 value to neutralize any effect of the annual adjustment on the property
20 tax proceeds allocated to the redevelopment district under this section.
21 However, the adjustments under this subsection may not include the
22 effect of property tax abatements under IC 6-1.1-12.1, and these
23 adjustments may not produce less property tax proceeds allocable to
24 the redevelopment district under subsection (b)(3) than would
25 otherwise have been received if the general reassessment, reassessment
26 under the reassessment plan, or annual adjustment had not occurred.
27 The department of local government finance may prescribe procedures
28 for county and township officials to follow to assist the department in
29 making the adjustments.
- 30 (i) The allocation deadline referred to in subsection (b) is
31 determined in the following manner:
- 32 (1) The initial allocation deadline is December 31, 2011.
- 33 (2) Subject to subdivision (3), the initial allocation deadline and
34 subsequent allocation deadlines are automatically extended in
35 increments of five (5) years, so that allocation deadlines
36 subsequent to the initial allocation deadline fall on December 31,
37 2016, and December 31 of each fifth year thereafter.
- 38 (3) At least one (1) year before the date of an allocation deadline
39 determined under subdivision (2), the general assembly may enact
40 a law that:
- 41 (A) terminates the automatic extension of allocation deadlines
42 under subdivision (2); and



- 1 (B) specifically designates a particular date as the final
2 allocation deadline.
- 3 SECTION 8. IC 36-7-15.1-35, AS AMENDED BY P.L.6-2012,
4 SECTION 245, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JANUARY 1, 2016]: Sec. 35. (a) Notwithstanding
6 section 26(a) of this chapter, with respect to the allocation and
7 distribution of property taxes for the accomplishment of a program
8 adopted under section 32 of this chapter, "base assessed value" means
9 the net assessed value of all of the land as finally determined for the
10 assessment date immediately preceding the effective date of the
11 allocation provision, as adjusted under section 26(h) of this chapter.
12 However, "base assessed value" does not include the value of real
13 property improvements to the land.
- 14 (b) The special fund established under section 26(b) of this chapter
15 for the allocation area for a program adopted under section 32 of this
16 chapter may be used only for purposes related to the accomplishment
17 of the program, including the following:
- 18 (1) The construction, rehabilitation, or repair of residential units
19 within the allocation area.
 - 20 (2) The construction, reconstruction, or repair of infrastructure
21 (such as streets, sidewalks, and sewers) within or serving the
22 allocation area.
 - 23 (3) The acquisition of real property and interests in real property
24 within the allocation area.
 - 25 (4) The demolition of real property within the allocation area.
 - 26 (5) To provide financial assistance to enable individuals and
27 families to purchase or lease residential units within the allocation
28 area. However, financial assistance may be provided only to those
29 individuals and families whose income is at or below the county's
30 median income for individuals and families, respectively.
 - 31 (6) To provide financial assistance to neighborhood development
32 corporations to permit them to provide financial assistance for the
33 purposes described in subdivision (5).
 - 34 (7) For property taxes first due and payable before 2009, to
35 provide each taxpayer in the allocation area a credit for property
36 tax replacement as determined under subsections (c) and (d).
37 However, this credit may be provided by the commission only if
38 the city-county legislative body establishes the credit by
39 ordinance adopted in the year before the year in which the credit
40 is provided.
 - 41 (c) The maximum credit that may be provided under subsection
42 (b)(7) to a taxpayer in a taxing district that contains all or part of an



1 allocation area established for a program adopted under section 32 of
2 this chapter shall be determined as follows:

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

7 STEP TWO: Divide:

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

12 (B) the amount determined under STEP ONE.

13 STEP THREE: Multiply:

14 (A) the STEP TWO quotient; by

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

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

29 (1) That the money to be collected and deposited in the allocation
30 fund, based upon historical collection rates, after granting the
31 credit will equal the amounts payable for contractual obligations
32 from the fund, plus ten percent (10%) of those amounts.

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

36 (3) If bonds of a lessor under section 17.1 of this chapter or under
37 IC 36-1-10 are outstanding and if lease rentals are payable from
38 the fund, that there is a debt service reserve for those bonds that
39 at least equals the amount of the credit to be granted.

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

42 (e) Notwithstanding section 26(b) of this chapter, the special fund



1 established under section 26(b) of this chapter for the allocation area
 2 for a program adopted under section 32 of this chapter may only be
 3 used to do one (1) or more of the following:

4 (1) Accomplish one (1) or more of the actions set forth in section
 5 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

6 (2) Reimburse the consolidated city for expenditures made by the
 7 city in order to accomplish the housing program in that allocation
 8 area.

9 The special fund may not be used for operating expenses of the
 10 commission.

11 (f) Notwithstanding section 26(b) of this chapter, the commission
 12 shall, relative to the special fund established under section 26(b) of this
 13 chapter for an allocation area for a program adopted under section 32
 14 of this chapter, do the following before July 15 1 of each year:

15 (1) Determine the amount, if any, by which the assessed value of
 16 the taxable property in the allocation area, when multiplied by the
 17 estimated tax rate of the allocation area, will exceed the amount
 18 of assessed value needed to produce the property taxes necessary
 19 to:

20 (A) make the distribution required under section 26(b)(2) of
 21 this chapter;

22 (B) make, when due, principal and interest payments on bonds
 23 described in section 26(b)(3) of this chapter;

24 (C) pay the amount necessary for other purposes described in
 25 section 26(b)(3) of this chapter; and

26 (D) reimburse the consolidated city for anticipated
 27 expenditures described in subsection (e)(2).

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

34 (A) state the amount, if any, of excess assessed value that the
 35 commission has determined may be allocated to the respective
 36 taxing units in the manner prescribed in section 26(b)(1) of
 37 this chapter; or

38 (B) state that the commission has determined that there is no
 39 excess assessed value that may be allocated to the respective
 40 taxing units in the manner prescribed in section 26(b)(1) of
 41 this chapter.

42 The county auditor shall allocate to the respective taxing units the



- 1 amount, if any, of excess assessed value determined by the
2 commission.
- 3 (g) This subsection applies to an allocation area only to the extent
4 that the net assessed value of property that is assessed as residential
5 property under the rules of the department of local government finance
6 is not included in the base assessed value. If property tax installments
7 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its
8 repeal)) are due in installments established by the department of local
9 government finance under IC 6-1.1-22-9.5, each taxpayer subject to
10 those installments in an allocation area is entitled to an additional
11 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2
12 (before its repeal)) due in installments. The credit shall be applied in
13 the same proportion to each installment of taxes (as defined in
14 IC 6-1.1-21-2 (before its repeal)).
- 15 SECTION 9.IC 36-7-15.1-36.3, AS AMENDED BY P.L.218-2013,
16 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2016]: Sec. 36.3. (a) Not later than March 15 of each
18 year, the commission or its designee shall file with the mayor **and the**
19 **fiscal body** a report setting out the commission's activities during the
20 preceding calendar year.
- 21 (b) The report required by subsection (a) must show the names of
22 the then qualified and acting commissioners, the names of the officers
23 of that body, the number of regular employees and their fixed salaries
24 or compensation, the amount of the expenditures made during the
25 preceding year and their general purpose, an accounting of the tax
26 increment revenues expended by any entity receiving the tax increment
27 revenues as a grant or loan from the commission, the amount of funds
28 on hand at the close of the calendar year, and other information
29 necessary to disclose the activities of the commission and the results
30 obtained.
- 31 (c) A copy of each report filed under this section must be submitted
32 to the department of local government finance in an electronic format.
- 33 (d) ~~Before August 1 each year, the commission shall also submit a~~
34 ~~report to the fiscal body.~~ The report **required under subsection (a)**
35 **must also** include the following information set forth for each tax
36 increment financing district regarding the previous year:
- 37 (1) Revenues received.
 - 38 (2) Expenses paid.
 - 39 (3) Fund balances.
 - 40 (4) The amount and maturity date for all outstanding obligations.
 - 41 (5) The amount paid on outstanding obligations.
 - 42 (6) A list of all the parcels included in each tax increment



1 financing district allocation area and the base assessed value and
 2 incremental assessed value for each parcel in the list.

3 ~~Before October 1 each year, the fiscal body shall compile the reports~~
 4 ~~received for all the tax increment financing districts and submit a~~
 5 ~~comprehensive report to the department of local government finance~~
 6 ~~in the form required by the department of local government finance.~~

7 SECTION 10. IC 36-7-15.1-53, AS AMENDED BY P.L.112-2012,
 8 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2016]: Sec. 53. (a) As used in this section:

10 "Allocation area" means that part of a redevelopment project area
 11 to which an allocation provision of a resolution adopted under section
 12 40 of this chapter refers for purposes of distribution and allocation of
 13 property taxes.

14 "Base assessed value" means:

15 (1) the net assessed value of all the property as finally determined
 16 for the assessment date immediately preceding the effective date
 17 of the allocation provision of the declaratory resolution, as
 18 adjusted under subsection (h); plus

19 (2) to the extent that it is not included in subdivision (1), the net
 20 assessed value of property that is assessed as residential property
 21 under the rules of the department of local government finance, as
 22 finally determined for any assessment date after the effective date
 23 of the allocation provision.

24 Except as provided in section 55 of this chapter, "property taxes"
 25 means taxes imposed under IC 6-1.1 on real property.

26 (b) A resolution adopted under section 40 of this chapter on or
 27 before the allocation deadline determined under subsection (i) may
 28 include a provision with respect to the allocation and distribution of
 29 property taxes for the purposes and in the manner provided in this
 30 section. A resolution previously adopted may include an allocation
 31 provision by the amendment of that resolution on or before the
 32 allocation deadline determined under subsection (i) in accordance with
 33 the procedures required for its original adoption. A declaratory
 34 resolution or an amendment that establishes an allocation provision
 35 must be approved by resolution of the legislative body of the excluded
 36 city and must specify an expiration date for the allocation provision.
 37 For an allocation area established before July 1, 2008, the expiration
 38 date may not be more than thirty (30) years after the date on which the
 39 allocation provision is established. For an allocation area established
 40 after June 30, 2008, the expiration date may not be more than
 41 twenty-five (25) years after the date on which the first obligation was
 42 incurred to pay principal and interest on bonds or lease rentals on



1 leases payable from tax increment revenues. However, with respect to
 2 bonds or other obligations that were issued before July 1, 2008, if any
 3 of the bonds or other obligations that were scheduled when issued to
 4 mature before the specified expiration date and that are payable only
 5 from allocated tax proceeds with respect to the allocation area remain
 6 outstanding as of the expiration date, the allocation provision does not
 7 expire until all of the bonds or other obligations are no longer
 8 outstanding. The allocation provision may apply to all or part of the
 9 redevelopment project area. The allocation provision must require that
 10 any property taxes subsequently levied by or for the benefit of any
 11 public body entitled to a distribution of property taxes on taxable
 12 property in the allocation area be allocated and distributed as follows:

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

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

17 or

18 (B) the base assessed value;

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

21 (2) The excess of the proceeds of the property taxes imposed for
 22 the assessment date with respect to which the allocation and
 23 distribution is made that are attributable to taxes imposed after
 24 being approved by the voters in a referendum or local public
 25 question conducted after April 30, 2010, not otherwise included
 26 in subdivision (1) shall be allocated to and, when collected, paid
 27 into the funds of the taxing unit for which the referendum or local
 28 public question was conducted.

29 (3) Except as otherwise provided in this section, property tax
 30 proceeds in excess of those described in subdivisions (1) and (2)
 31 shall be allocated to the redevelopment district and, when
 32 collected, paid into a special fund for that allocation area that may
 33 be used by the redevelopment district only to do one (1) or more
 34 of the following:

35 (A) Pay the principal of and interest on any obligations
 36 payable solely from allocated tax proceeds that are incurred by
 37 the redevelopment district for the purpose of financing or
 38 refinancing the redevelopment of that allocation area.

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

42 (C) Pay the principal of and interest on bonds payable from



- 1 allocated tax proceeds in that allocation area and from the
 2 special tax levied under section 50 of this chapter.
- 3 (D) Pay the principal of and interest on bonds issued by the
 4 excluded city to pay for local public improvements that are
 5 physically located in or physically connected to that allocation
 6 area.
- 7 (E) Pay premiums on the redemption before maturity of bonds
 8 payable solely or in part from allocated tax proceeds in that
 9 allocation area.
- 10 (F) Make payments on leases payable from allocated tax
 11 proceeds in that allocation area under section 46 of this
 12 chapter.
- 13 (G) Reimburse the excluded city for expenditures for local
 14 public improvements (which include buildings, park facilities,
 15 and other items set forth in section 45 of this chapter) that are
 16 physically located in or physically connected to that allocation
 17 area.
- 18 (H) Reimburse the unit for rentals paid by it for a building or
 19 parking facility that is physically located in or physically
 20 connected to that allocation area under any lease entered into
 21 under IC 36-1-10.
- 22 (I) Reimburse public and private entities for expenses incurred
 23 in training employees of industrial facilities that are located:
- 24 (i) in the allocation area; and
 25 (ii) on a parcel of real property that has been classified as
 26 industrial property under the rules of the department of local
 27 government finance.
- 28 However, the total amount of money spent for this purpose in
 29 any year may not exceed the total amount of money in the
 30 allocation fund that is attributable to property taxes paid by the
 31 industrial facilities described in this clause. The
 32 reimbursements under this clause must be made within three
 33 (3) years after the date on which the investments that are the
 34 basis for the increment financing are made.
- 35 The special fund may not be used for operating expenses of the
 36 commission.
- 37 (4) Before July ~~15~~ 1 of each year, the commission shall do the
 38 following:
- 39 (A) Determine the amount, if any, by which the assessed value
 40 of the taxable property in the allocation area for the most
 41 recent assessment date minus the base assessed value, when
 42 multiplied by the estimated tax rate of the allocation area, will



1 exceed the amount of assessed value needed to provide the
 2 property taxes necessary to make, when due, principal and
 3 interest payments on bonds described in subdivision (3) plus
 4 the amount necessary for other purposes described in
 5 subdivision (3) and subsection (g).

6 (B) Provide a written notice to the county auditor, the fiscal
 7 body of the county or municipality that established the
 8 department of redevelopment, ~~and~~ the officers who are
 9 authorized to fix budgets, tax rates, and tax levies under
 10 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 11 or partly located within the allocation area, **and (in an**
 12 **electronic format) the department of local government**
 13 **finance**. The notice must:

14 (i) state the amount, if any, of excess assessed value that the
 15 commission has determined may be allocated to the
 16 respective taxing units in the manner prescribed in
 17 subdivision (1); or

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

21 The county auditor shall allocate to the respective taxing units
 22 the amount, if any, of excess assessed value determined by the
 23 commission. The commission may not authorize an allocation
 24 to the respective taxing units under this subdivision if to do so
 25 would endanger the interests of the holders of bonds described
 26 in subdivision (3).

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

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

33 (2) the base assessed value.

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

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

42 (f) Notwithstanding any other law, the assessed value of all taxable



1 property in the allocation area, for purposes of tax limitation, property
 2 tax replacement, and formulation of the budget, tax rate, and tax levy
 3 for each political subdivision in which the property is located, is the
 4 lesser of:

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

8 (g) If any part of the allocation area is located in an enterprise zone
 9 created under IC 5-28-15, the unit that designated the allocation area
 10 shall create funds as specified in this subsection. A unit that has
 11 obligations, bonds, or leases payable from allocated tax proceeds under
 12 subsection (b)(3) shall establish an allocation fund for the purposes
 13 specified in subsection (b)(3) and a special zone fund. Such a unit
 14 shall, until the end of the enterprise zone phase out period, deposit each
 15 year in the special zone fund the amount in the allocation fund derived
 16 from property tax proceeds in excess of those described in subsection
 17 (b)(1) and (b)(2) from property located in the enterprise zone that
 18 exceeds the amount sufficient for the purposes specified in subsection
 19 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 20 payable from allocated tax proceeds under subsection (b)(3) shall
 21 establish a special zone fund and deposit all the property tax proceeds
 22 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 23 derived from property tax proceeds in excess of those described in
 24 subsection (b)(1) and (b)(2) from property located in the enterprise
 25 zone. The unit that creates the special zone fund shall use the fund,
 26 based on the recommendations of the urban enterprise association, for
 27 one (1) or more of the following purposes:

- 28 (1) To pay for programs in job training, job enrichment, and basic
 29 skill development designed to benefit residents and employers in the
 30 enterprise zone. The programs must reserve at least one-half
 31 (1/2) of the enrollment in any session for residents of the
 32 enterprise zone.

- 33 (2) To make loans and grants for the purpose of stimulating
 34 business activity in the enterprise zone or providing employment
 35 for enterprise zone residents in an enterprise zone. These loans
 36 and grants may be made to the following:

- 37 (A) Businesses operating in the enterprise zone.

- 38 (B) Businesses that will move their operations to the enterprise
 39 zone if such a loan or grant is made.

- 40 (3) To provide funds to carry out other purposes specified in
 41 subsection (b)(3). However, where reference is made in
 42 subsection (b)(3) to the allocation area, the reference refers, for



- 1 purposes of payments from the special zone fund, only to that part
 2 of the allocation area that is also located in the enterprise zone.
- 3 (h) The state board of accounts and department of local government
 4 finance shall make the rules and prescribe the forms and procedures
 5 that they consider expedient for the implementation of this chapter.
 6 After each general reassessment of real property in an area under
 7 IC 6-1.1-4-4 or reassessment under a county's reassessment plan
 8 prepared under IC 6-1.1-4-4.2, the department of local government
 9 finance shall adjust the base assessed value one (1) time to neutralize
 10 any effect of the reassessment of the real property in the area on the
 11 property tax proceeds allocated to the redevelopment district under this
 12 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 13 department of local government finance shall adjust the base assessed
 14 value to neutralize any effect of the annual adjustment on the property
 15 tax proceeds allocated to the redevelopment district under this section.
 16 However, the adjustments under this subsection may not include the
 17 effect of property tax abatements under IC 6-1.1-12.1, and these
 18 adjustments may not produce less property tax proceeds allocable to
 19 the redevelopment district under subsection (b)(3) than would
 20 otherwise have been received if the general reassessment, reassessment
 21 under the county's reassessment plan, or annual adjustment had not
 22 occurred. The department of local government finance may prescribe
 23 procedures for county and township officials to follow to assist the
 24 department in making the adjustments.
- 25 (i) The allocation deadline referred to in subsection (b) is
 26 determined in the following manner:
- 27 (1) The initial allocation deadline is December 31, 2011.
- 28 (2) Subject to subdivision (3), the initial allocation deadline and
 29 subsequent allocation deadlines are automatically extended in
 30 increments of five (5) years, so that allocation deadlines
 31 subsequent to the initial allocation deadline fall on December 31,
 32 2016, and December 31 of each fifth year thereafter.
- 33 (3) At least one (1) year before the date of an allocation deadline
 34 determined under subdivision (2), the general assembly may enact
 35 a law that:
- 36 (A) terminates the automatic extension of allocation deadlines
 37 under subdivision (2); and
- 38 (B) specifically designates a particular date as the final
 39 allocation deadline.
- 40 SECTION 11. IC 36-7-15.1-62, AS ADDED BY P.L.7-2013,
 41 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2016]: Sec. 62. (a) Notwithstanding section 26(a) of this



1 chapter, with respect to the allocation and distribution of property taxes
 2 for the accomplishment of the purposes of an age-restricted housing
 3 program adopted under section 59 of this chapter, "base assessed
 4 value" means the net assessed value of all of the property, other than
 5 personal property, as finally determined for the assessment date
 6 immediately preceding the effective date of the allocation provision, as
 7 adjusted under section 26(h) of this chapter.

8 (b) The allocation fund established under section 26(b) of this
 9 chapter for the allocation area for an age-restricted housing program
 10 adopted under section 59 of this chapter may be used only for purposes
 11 related to the accomplishment of the purposes of the program,
 12 including, but not limited to, the following:

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

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

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

20 (4) To do any of the following:

21 (A) Pay the principal of and interest on bonds or any other
 22 obligations payable from allocated tax proceeds in the
 23 allocation area that are incurred by the redevelopment district
 24 for the purpose of financing or refinancing the age-restricted
 25 housing program established under section 59 of this chapter
 26 for the allocation area.

27 (B) Establish, augment, or restore the debt service reserve for
 28 bonds payable solely or in part from allocated tax proceeds in
 29 the allocation area.

30 (C) Pay the principal of and interest on bonds payable from
 31 allocated tax proceeds in the allocation area and from the
 32 special tax levied under section 19 of this chapter.

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

36 (E) Pay premiums on the redemption before maturity of bonds
 37 payable solely or in part from allocated tax proceeds in the
 38 allocation area.

39 (F) Make payments on leases payable from allocated tax
 40 proceeds in the allocation area under section 17.1 of this
 41 chapter.

42 (G) Reimburse the unit for expenditures made by the unit for



1 local public improvements (which include buildings, parking
 2 facilities, and other items described in section 17(a) of this
 3 chapter) that are physically located in or physically connected
 4 to the allocation area.

5 (c) Notwithstanding section 26(b) of this chapter, the commission
 6 shall, relative to the allocation fund established under section 26(b) of
 7 this chapter for an allocation area for an age-restricted housing program
 8 adopted under section 59 of this chapter, do the following before July
 9 ~~15~~ 1 of each year:

10 (1) Determine the amount, if any, by which the assessed value of
 11 the taxable property in the allocation area for the most recent
 12 assessment date minus the base assessed value, when multiplied
 13 by the estimated tax rate of the allocation area, will exceed the
 14 amount of assessed value needed to produce the property taxes
 15 necessary to:

16 (A) make the distribution required under section 26(b)(2) of
 17 this chapter;

18 (B) make, when due, principal and interest payments on bonds
 19 described in section 26(b)(3) of this chapter;

20 (C) pay the amount necessary for other purposes described in
 21 section 26(b)(3) of this chapter; and

22 (D) reimburse the county or municipality for anticipated
 23 expenditures described in subsection (b)(2).

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

31 (A) state the amount, if any, of excess property taxes that the
 32 commission has determined may be paid to the respective
 33 taxing units in the manner prescribed in section 26(b)(1) of
 34 this chapter; or

35 (B) state that the commission has determined that there is no
 36 excess assessed value that may be allocated to the respective
 37 taxing units in the manner prescribed in subdivision (1).

38 The county auditor shall allocate to the respective taxing units the
 39 amount, if any, of excess assessed value determined by the
 40 commission.



COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 567, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 18, line 19, before "Not" begin a new paragraph and insert: "**(b)**".

Page 18, between lines 25 and 26, begin a new paragraph and insert: "**(c) The report required under subsection (b) must also include the following information set forth for each tax increment financing district regarding the previous year:**

- (1) Revenues received.**
- (2) Expenses paid.**
- (3) Fund balances.**
- (4) The amount and maturity date for all outstanding obligations.**
- (5) The amount paid on outstanding obligations.**
- (6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list."**

Page 18, line 26, strike "(b)" and insert "**(d)**".

Page 18, line 28, strike "(c)" and insert "**(e)**".

and when so amended that said bill do pass.

(Reference is to SB 567 as introduced.)

HEAD, Chairperson

Committee Vote: Yeas 8, Nays 0.

