

# HOUSE BILL No. 1085

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-21.2-8; IC 20-26-5-43; IC 36-7; IC 36-7.5-4.5-18.

**Synopsis:** Tax incentive financing. Provides that 20% of the incremental property taxes of a tax increment financing area established after June 30, 2023, shall be allocated to and, when collected, paid to school corporations that maintain an attendance area that includes all or part of the allocation area. Requires a school corporation to use the distribution for career and technical education programs. Provides that, for an allocation area established before July 1, 2023, a redevelopment commission is strongly encouraged to make allocations to a school corporation for use in the school corporation's career and technical education programs. Provides that, after June 30, 2023, at least one of the members appointed to a redevelopment commission by a municipal executive or county executive must also be a member of the school board of a school corporation that includes all or part of the territory served by the redevelopment commission or an individual recommended by the school board.

**Effective:** July 1, 2023.

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January 9, 2023, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

# HOUSE BILL No. 1085

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

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

1 SECTION 1. IC 6-1.1-21.2-8, AS AMENDED BY P.L.203-2011,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2023]: Sec. 8. As used in this chapter, "special fund" means:  
4 (1) the special funds referred to in IC 6-1.1-39-5;  
5 (2) the special funds referred to in IC 8-22-3.5-9(e);  
6 (3) the allocation fund referred to in ~~IC 36-7-14-39(b)(3);~~  
7 **IC 36-7-14-39(b)(4);**  
8 (4) the allocation fund referred to in IC 36-7-14.5-12.5(d);  
9 (5) the special fund referred to in IC 36-7-15.1-26(b)(3);  
10 (6) the special fund referred to in ~~IC 36-7-15.1-53(b)(3);~~  
11 **IC 36-7-15.1-53(b)(4);**  
12 (7) the allocation fund referred to in IC 36-7-30-25(b)(3); or  
13 (8) the allocation fund referred to in IC 36-7-30.5-30(b)(3).  
14 SECTION 2. IC 20-26-5-43 IS ADDED TO THE INDIANA CODE  
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
16 1, 2023]: **Sec. 43. A school corporation that receives a distribution**  
17 **under IC 36-7-14-39(b)(2), IC 36-7-14-39(l), IC 36-7-15.1-53(b)(2),**



1 **or IC 36-7-15.1-53(m) may use the proceeds only to supplement**  
 2 **other funding received by the school corporation for career and**  
 3 **technical education.**

4 SECTION 3. IC 36-7-14-6.1, AS AMENDED BY P.L.55-2016,  
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2023]: Sec. 6.1. (a) The five (5) commissioners for a  
 7 municipal redevelopment commission shall be appointed as follows:

8 (1) **Subject to subsection (d)**, three (3) shall be appointed by the  
 9 municipal executive.

10 (2) Two (2) shall be appointed by the municipal legislative body.

11 ~~The municipal executive shall also appoint an individual to serve as a~~  
 12 ~~nonvoting adviser to the redevelopment commission beginning July 1,~~  
 13 ~~2008.~~

14 (b) The commissioners for a county redevelopment commission that  
 15 has five (5) members shall be appointed as follows:

16 (1) The county executive shall appoint all the members whose  
 17 terms of office begin before January 1, 2008.

18 (2) For terms of office beginning after December 31, 2007, the  
 19 county executive, **subject to subsection (d)**, shall appoint three

20 (3) members, and the county fiscal body shall appoint two (2)  
 21 members.

22 ~~The county executive shall also appoint an individual to serve as a~~  
 23 ~~nonvoting adviser to the redevelopment commission beginning July 1,~~  
 24 ~~2008.~~

25 (c) The commissioners for a county redevelopment commission that  
 26 has seven (7) members shall be appointed as follows:

27 (1) The county executive shall appoint all the members whose  
 28 terms of office begin before January 1, 2008.

29 (2) For terms of office beginning after December 31, 2007, the  
 30 county executive, **subject to subsection (d)**, shall appoint four (4)  
 31 members, and the county fiscal body shall appoint three (3)  
 32 members.

33 ~~The county executive shall also appoint an individual to serve as a~~  
 34 ~~nonvoting adviser to the redevelopment commission beginning July 1,~~  
 35 ~~2008.~~

36 (d) ~~A nonvoting adviser appointed under this section. This~~  
 37 **subsection applies to the appointments made by either a municipal**  
 38 **executive or a county executive under subsections (a) through (c).**  
 39 **At least one (1) of the members appointed by a municipal executive**  
 40 **or county executive**

41 ~~(†)~~ **must also be a member of the school board of a school**  
 42 **corporation that includes all or part of the territory served by the**



1 redevelopment commission or an individual recommended by the  
 2 school board. ~~to the entity that appoints the nonvoting adviser;~~  
 3 ~~(2) is not considered a member of the redevelopment commission~~  
 4 ~~for purposes of this chapter but is entitled to attend and~~  
 5 ~~participate in the proceedings of all meetings of the~~  
 6 ~~redevelopment commission;~~  
 7 ~~(3) is not entitled to a salary, per diem, or reimbursement of~~  
 8 ~~expenses;~~  
 9 ~~(4) serves for a term of two (2) years and until a successor is~~  
 10 ~~appointed; and~~  
 11 ~~(5) serves at the pleasure of the entity that appointed the~~  
 12 ~~nonvoting adviser.~~

13 SECTION 4. IC 36-7-14-15.5, AS AMENDED BY P.L.104-2022,  
 14 SECTION 187, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2023]: Sec. 15.5. (a) This section applies to a  
 16 county having a population of more than two hundred fifty thousand  
 17 (250,000) and less than three hundred thousand (300,000).

18 (b) In adopting a declaratory resolution under section 15 of this  
 19 chapter, a redevelopment commission may include a provision stating  
 20 that the redevelopment project area is considered to include one (1) or  
 21 more additional areas outside the boundaries of the redevelopment  
 22 project area if the redevelopment commission makes the following  
 23 findings and the requirements of subsection (c) are met:

24 (1) One (1) or more taxpayers presently located within the  
 25 boundaries of the redevelopment project area are expected within  
 26 one (1) year to relocate all or part of their operations outside the  
 27 boundaries of the redevelopment project area and have expressed  
 28 an interest in relocating all or part of their operations within the  
 29 boundaries of an additional area.

30 (2) The relocation described in subdivision (1) will contribute to  
 31 the continuation of the conditions described in IC 36-7-1-3 in the  
 32 redevelopment project area.

33 (3) For purposes of this section, it will be of public utility and  
 34 benefit to include the additional areas as part of the  
 35 redevelopment project area.

36 (c) Each additional area must be designated by the redevelopment  
 37 commission as a redevelopment project area or an economic  
 38 development area under this chapter.

39 (d) Notwithstanding section 3 of this chapter, the additional areas  
 40 shall be considered to be a part of the redevelopment special taxing  
 41 district under the jurisdiction of the redevelopment commission. Any  
 42 excess property taxes that the commission has determined may be paid



1 to taxing units under section ~~39(b)(4)~~ **39(b)(5)** of this chapter shall be  
 2 paid to the taxing units from which the excess property taxes were  
 3 derived. All powers of the redevelopment commission authorized under  
 4 this chapter may be exercised by the redevelopment commission in  
 5 additional areas under its jurisdiction.

6 (e) The declaratory resolution must include a statement of the  
 7 general boundaries of each additional area. However, it is sufficient to  
 8 describe those boundaries by location in relation to public ways,  
 9 streams, or otherwise, as determined by the commissioners.

10 (f) The declaratory resolution may include a provision with respect  
 11 to the allocation and distribution of property taxes with respect to one  
 12 (1) or more of the additional areas in the manner provided in section 39  
 13 of this chapter. If the redevelopment commission includes such a  
 14 provision in the resolution, allocation areas in the redevelopment  
 15 project area and in the additional areas considered to be part of the  
 16 redevelopment project area shall be considered a single allocation area  
 17 for purposes of this chapter.

18 (g) The additional areas must be located within the same county as  
 19 the redevelopment project area but are not otherwise required to be  
 20 within the jurisdiction of the redevelopment commission, if the  
 21 redevelopment commission obtains the consent by ordinance of:

- 22 (1) the county legislative body, for each additional area located
- 23 within the unincorporated part of the county; or
- 24 (2) the legislative body of the city or town affected, for each
- 25 additional area located within a city or town.

26 In granting its consent, the legislative body shall approve the plan of  
 27 development or redevelopment relating to the additional area.

28 (h) A declaratory resolution previously adopted may be amended to  
 29 include a provision to include additional areas as set forth in this  
 30 section and an allocation provision under section 39 of this chapter  
 31 with respect to one (1) or more of the additional areas in accordance  
 32 with sections 15, 16, and 17 of this chapter.

33 (i) The redevelopment commission may amend the allocation  
 34 provision of a declaratory resolution in accordance with sections 15,  
 35 16, and 17 of this chapter to change the assessment date that  
 36 determines the base assessed value of property in the allocation area to  
 37 any assessment date following the effective date of the allocation  
 38 provision of the declaratory resolution. Such a change may relate to the  
 39 assessment date that determines the base assessed value of that portion  
 40 of the allocation area that is located in the redevelopment project area  
 41 alone, that portion of the allocation area that is located in an additional  
 42 area alone, or the entire allocation area.



1 SECTION 5. IC 36-7-14-25.1, AS AMENDED BY P.L.257-2019,  
2 SECTION 117, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2023]: Sec. 25.1. (a) In addition to other  
4 methods of raising money for property acquisition or redevelopment in  
5 a redevelopment project area, and in anticipation of the special tax to  
6 be levied under section 27 of this chapter, the taxes allocated under  
7 section 39 of this chapter, or other revenues of the district, or any  
8 combination of these sources, the redevelopment commission may, by  
9 bond resolution and subject to subsections (c) and (p), issue the bonds  
10 of the special taxing district in the name of the unit. The amount of the  
11 bonds may not exceed the total, as estimated by the commission, of all  
12 expenses reasonably incurred in connection with the acquisition and  
13 redevelopment of the property, including:

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

25 (b) If the redevelopment commission plans to acquire different  
26 parcels of land or let different contracts for redevelopment work at  
27 approximately the same time, whether under one (1) or more  
28 resolutions, the commission may provide for the total cost in one (1)  
29 issue of bonds.

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

- 39 (1) the denominations of the bonds;
- 40 (2) the place or places at which the bonds are payable; and
- 41 (3) the term of the bonds, which may not exceed:
  - 42 (A) fifty (50) years, for bonds issued before July 1, 2008;



- 1 (B) thirty (30) years, for bonds issued after June 30, 2008, to  
 2 finance:  
 3 (i) an integrated coal gasification powerplant (as defined in  
 4 IC 6-3.1-29-6);  
 5 (ii) a part of an integrated coal gasification powerplant (as  
 6 defined in IC 6-3.1-29-6); or  
 7 (iii) property used in the operation or maintenance of an  
 8 integrated coal gasification powerplant (as defined in  
 9 IC 6-3.1-29-6);  
 10 that received a certificate of public convenience and necessity  
 11 from the Indiana utility regulatory commission under  
 12 IC 8-1-8.5 et seq. before July 1, 2008;  
 13 (C) thirty-five (35) years, for bonds issued after June 30, 2019,  
 14 to finance a project that is located in a redevelopment project  
 15 area, an economic development area, or an urban renewal  
 16 project area and that includes, as part of the project, the use  
 17 and repurposing of two (2) or more buildings and structures  
 18 that are:  
 19 (i) at least seventy-five (75) years old; and  
 20 (ii) located at a site at which manufacturing previously  
 21 occurred over a period of at least seventy-five (75) years; or  
 22 (D) twenty-five (25) years, for bonds issued after June 30,  
 23 2008, that are not described in clause (B) or (C).  
 24 The bond resolution may also state that the bonds are redeemable  
 25 before maturity with or without a premium, as determined by the  
 26 redevelopment commission.  
 27 (d) The redevelopment commission shall certify a copy of the  
 28 resolution authorizing the bonds to the municipal or county fiscal  
 29 officer, who shall then prepare the bonds, subject to subsections (c) and  
 30 (p). The seal of the unit must be impressed on the bonds, or a facsimile  
 31 of the seal must be printed on the bonds.  
 32 (e) The bonds must be executed by the appropriate officer of the  
 33 unit and attested by the municipal or county fiscal officer.  
 34 (f) The bonds are exempt from taxation for all purposes.  
 35 (g) The municipal or county fiscal officer shall give notice of the  
 36 sale of the bonds by publication in accordance with IC 5-3-1. The  
 37 municipal fiscal officer, or county fiscal officer or executive, shall sell  
 38 the bonds to the highest bidder, but may not sell them for less than  
 39 ninety-seven percent (97%) of their par value. However, bonds payable  
 40 solely or in part from tax proceeds allocated under section ~~39(b)(3)~~  
 41 **39(b)(4)** of this chapter, or other revenues of the district may be sold  
 42 at a private negotiated sale.



1 (h) Except as provided in subsection (i), a redevelopment  
 2 commission may not issue the bonds when the total issue, including  
 3 bonds already issued and to be issued, exceeds two percent (2%) of the  
 4 adjusted value of the taxable property in the special taxing district, as  
 5 determined under IC 36-1-15.

6 (i) The bonds are not a corporate obligation of the unit but are an  
 7 indebtedness of the taxing district. The bonds and interest are payable,  
 8 as set forth in the bond resolution of the redevelopment commission:

9 (1) from a special tax levied upon all of the property in the taxing  
 10 district, as provided by section 27 of this chapter;

11 (2) from the tax proceeds allocated under section ~~39(b)(3)~~  
 12 **39(b)(4)** of this chapter;

13 (3) from other revenues available to the redevelopment  
 14 commission; or

15 (4) from a combination of the methods stated in subdivisions (1)  
 16 through (3).

17 If the bonds are payable solely from the tax proceeds allocated under  
 18 section ~~39(b)(3)~~ **39(b)(4)** of this chapter, other revenues of the  
 19 redevelopment commission, or any combination of these sources, they  
 20 may be issued in any amount not to exceed the maximum amount  
 21 approved by the legislative body in the resolution described in  
 22 subsection (c).

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

26 (k) All laws relating to the giving of notice of the issuance of bonds,  
 27 the giving of notice of a hearing on the appropriation of the proceeds  
 28 of the bonds, the right of taxpayers to appear and be heard on the  
 29 proposed appropriation, and the approval of the appropriation by the  
 30 department of local government finance apply to all bonds issued under  
 31 this chapter that are payable from the special benefits tax levied  
 32 pursuant to section 27 of this chapter or from taxes allocated under  
 33 section 39 of this chapter.

34 (l) All laws relating to:

35 (1) the filing of petitions requesting the issuance of bonds; and

36 (2) the right of:

37 (A) taxpayers and voters to remonstrate against the issuance of  
 38 bonds in the case of a proposed bond issue described by  
 39 IC 6-1.1-20-3.1(a); or

40 (B) voters to vote on the issuance of bonds in the case of a  
 41 proposed bond issue described by IC 6-1.1-20-3.5(a);

42 apply to bonds issued under this chapter except for bonds payable





1 solely from tax proceeds allocated under section ~~39(b)(3)~~ **39(b)(4)** of  
 2 this chapter, other revenues of the redevelopment commission, or any  
 3 combination of these sources.

4 (m) If a debt service reserve is created from the proceeds of bonds,  
 5 the debt service reserve may be used to pay principal and interest on  
 6 the bonds as provided in the bond resolution.

7 (n) Any amount remaining in the debt service reserve after all of the  
 8 bonds of the issue for which the debt service reserve was established  
 9 have matured shall be:

10 (1) deposited in the allocation fund established under section  
 11 ~~39(b)(3)~~ **39(b)(4)** of this chapter; and

12 (2) to the extent permitted by law, transferred to the county or  
 13 municipality that established the department of redevelopment for  
 14 use in reducing the county's or municipality's property tax levies  
 15 for debt service.

16 (o) If bonds are issued under this chapter that are payable solely or  
 17 in part from revenues to the redevelopment commission from a project  
 18 or projects, the redevelopment commission may adopt a resolution or  
 19 trust indenture or enter into covenants as is customary in the issuance  
 20 of revenue bonds. The resolution or trust indenture may pledge or  
 21 assign the revenues from the project or projects, but may not convey or  
 22 mortgage any project or parts of a project. The resolution or trust  
 23 indenture may also contain any provisions for protecting and enforcing  
 24 the rights and remedies of the bond owners as may be reasonable and  
 25 proper and not in violation of law, including covenants setting forth the  
 26 duties of the redevelopment commission. The redevelopment  
 27 commission may establish fees and charges for the use of any project  
 28 and covenant with the owners of any bonds to set those fees and  
 29 charges at a rate sufficient to protect the interest of the owners of the  
 30 bonds. Any revenue bonds issued by the redevelopment commission  
 31 that are payable solely from revenues of the commission shall contain  
 32 a statement to that effect in the form of bond.

33 (p) If the total principal amount of bonds authorized by a resolution  
 34 of the redevelopment commission adopted before July 1, 2008, is equal  
 35 to or greater than three million dollars (\$3,000,000), the bonds may not  
 36 be issued without the approval, by resolution, of the legislative body of  
 37 the unit. Bonds authorized in any principal amount by a resolution of  
 38 the redevelopment commission adopted after June 30, 2008, may not  
 39 be issued without the approval of the legislative body of the unit.

40 SECTION 6. IC 36-7-14-26, AS AMENDED BY P.L.203-2011,  
 41 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 JULY 1, 2023]: Sec. 26. (a) All proceeds from the sale of bonds under



1 section 25.1 of this chapter shall be kept as a separate and specific fund  
 2 to pay the expenses incurred in connection with the acquisition and  
 3 redevelopment of property. The fund shall be known as the  
 4 redevelopment district capital fund. Any surplus of funds remaining  
 5 after all expenses are paid shall be paid into and become a part of the  
 6 redevelopment district bond fund established under section 27 of this  
 7 chapter.

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

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

18 (d) A redevelopment commission shall deposit in the allocation fund  
 19 established under section ~~39(b)(3)~~ **39(b)(4)** of this chapter of an  
 20 allocation area the proceeds from the sale or leasing of property in the  
 21 area under section 22 of this chapter if:

22 (1) there are outstanding bonds that were issued to pay costs of  
 23 redevelopment in the allocation area; and

24 (2) the bonds are payable solely or in part from tax proceeds  
 25 allocated under section ~~39(b)(3)~~ **39(b)(4)** of this chapter.

26 SECTION 7. IC 36-7-14-27, AS AMENDED BY P.L.149-2014,  
 27 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2023]: Sec. 27. (a) This section applies only to:

29 (1) bonds that are issued under section 25.1 of this chapter; and

30 (2) leases entered into under section 25.2 of this chapter;

31 which are payable from a special tax levied upon all of the property in  
 32 the special taxing district. This section does not apply to bonds or  
 33 leases that are payable solely from tax proceeds allocated under section  
 34 ~~39(b)(3)~~ **39(b)(4)** of this chapter, other revenues of the redevelopment  
 35 commission, or any combination of these sources.

36 (b) The redevelopment commission, with the prior approval of the  
 37 legislative body, shall levy each year a special tax on all of the property  
 38 of the redevelopment taxing district, in such a manner as to meet and  
 39 pay the principal of the bonds as they mature, together with all accruing  
 40 interest on the bonds or lease rental payments under section 25.2 of this  
 41 chapter. The commission shall cause the tax levied to be certified to the  
 42 proper officers as other tax levies are certified, and to the auditor of the



1 county in which the redevelopment district is located, before the  
 2 second day of October in each year. The tax shall be estimated and  
 3 entered on the tax duplicate by the county auditor and shall be collected  
 4 and enforced by the county treasurer in the same manner as other state  
 5 and county taxes are estimated, entered, collected, and enforced. The  
 6 amount of the tax levied to pay bonds or lease rentals payable from the  
 7 tax levied under this section shall be reduced by any amount available  
 8 in the allocation fund established under section ~~39(b)(3)~~ **39(b)(4)** of  
 9 this chapter or other revenues of the redevelopment commission to the  
 10 extent such revenues have been set aside in the redevelopment bond  
 11 fund.

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

20 (d) If there are no outstanding bonds that are payable solely or in  
 21 part from tax proceeds allocated under section ~~39(b)(3)~~ **39(b)(4)** of this  
 22 chapter and that were issued to pay costs of redevelopment in an  
 23 allocation area that is located wholly or in part in the special taxing  
 24 district, then all proceeds from the sale or leasing of property in the  
 25 allocation area under section 22 of this chapter shall be paid into the  
 26 redevelopment district bond fund and become a part of that fund. In  
 27 arriving at the tax levy for any year, the redevelopment commission  
 28 shall take into account the amount of the proceeds deposited under this  
 29 subsection and remaining on hand.

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

35 SECTION 8. IC 36-7-14-39, AS AMENDED BY P.L.174-2022,  
 36 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2023]: Sec. 39. (a) As used in this section:

38 "Allocation area" means that part of a redevelopment project area  
 39 to which an allocation provision of a declaratory resolution adopted  
 40 under section 15 of this chapter refers for purposes of distribution and  
 41 allocation of property taxes.

42 "Base assessed value" means, subject to subsection (j), the



- 1 following:
- 2 (1) If an allocation provision is adopted after June 30, 1995, in a
- 3 declaratory resolution or an amendment to a declaratory
- 4 resolution establishing an economic development 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, within the allocation area, as finally determined for
- 13 the current assessment date.
- 14 (2) If an allocation provision is adopted after June 30, 1997, in a
- 15 declaratory resolution or an amendment to a declaratory
- 16 resolution establishing a redevelopment project area:
- 17 (A) the net assessed value of all the property as finally
- 18 determined for the assessment date immediately preceding the
- 19 effective date of the allocation provision of the declaratory
- 20 resolution, as adjusted under subsection (h); plus
- 21 (B) to the extent that it is not included in clause (A), the net
- 22 assessed value of property that is assessed as residential
- 23 property under the rules of the department of local government
- 24 finance, as finally determined for the current assessment date.
- 25 (3) If:
- 26 (A) an allocation provision adopted before June 30, 1995, in
- 27 a declaratory resolution or an amendment to a declaratory
- 28 resolution establishing a redevelopment project area expires
- 29 after June 30, 1997; and
- 30 (B) after June 30, 1997, a new allocation provision is included
- 31 in an amendment to the declaratory resolution;
- 32 the net assessed value of all the property as finally determined for
- 33 the assessment date immediately preceding the effective date of
- 34 the allocation provision adopted after June 30, 1997, as adjusted
- 35 under subsection (h).
- 36 (4) Except as provided in subdivision (5), for all other allocation
- 37 areas, the net assessed value of all the property as finally
- 38 determined for the assessment date immediately preceding the
- 39 effective date of the allocation provision of the declaratory
- 40 resolution, as adjusted under subsection (h).
- 41 (5) If an allocation area established in an economic development
- 42 area before July 1, 1995, is expanded after June 30, 1995, the



1 definition in subdivision (1) applies to the expanded part of the  
2 area added after June 30, 1995.

3 (6) If an allocation area established in a redevelopment project  
4 area before July 1, 1997, is expanded after June 30, 1997, the  
5 definition in subdivision (2) applies to the expanded part of the  
6 area added after June 30, 1997.

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

20 (b) A declaratory resolution adopted under section 15 of this chapter  
21 on or before the allocation deadline determined under subsection (i)  
22 may include a provision with respect to the allocation and distribution  
23 of property taxes for the purposes and in the manner provided in this  
24 section. A declaratory resolution previously adopted may include an  
25 allocation provision by the amendment of that declaratory resolution on  
26 or before the allocation deadline determined under subsection (i) in  
27 accordance with the procedures required for its original adoption. A  
28 declaratory resolution or amendment that establishes an allocation  
29 provision must include a specific finding of fact, supported by  
30 evidence, that the adoption of the allocation provision will result in  
31 new property taxes in the area that would not have been generated but  
32 for the adoption of the allocation provision. For an allocation area  
33 established before July 1, 1995, the expiration date of any allocation  
34 provisions for the allocation area is June 30, 2025, or the last date of  
35 any obligations that are outstanding on July 1, 2015, whichever is later.  
36 A declaratory resolution or an amendment that establishes an allocation  
37 provision after June 30, 1995, must specify an expiration date for the  
38 allocation provision. For an allocation area established before July 1,  
39 2008, the expiration date may not be more than thirty (30) years after  
40 the date on which the allocation provision is established. For an  
41 allocation area established after June 30, 2008, the expiration date may  
42 not be more than twenty-five (25) years after the date on which the first



1 obligation was incurred to pay principal and interest on bonds or lease  
 2 rentals on leases payable from tax increment revenues. However, with  
 3 respect to bonds or other obligations that were issued before July 1,  
 4 2008, if any of the bonds or other obligations that were scheduled when  
 5 issued to mature before the specified expiration date and that are  
 6 payable only from allocated tax proceeds with respect to the allocation  
 7 area remain outstanding as of the expiration date, the allocation  
 8 provision does not expire until all of the bonds or other obligations are  
 9 no longer outstanding. Notwithstanding any other law, in the case of an  
 10 allocation area that is established after June 30, 2019, and that is  
 11 located in a redevelopment project area described in section  
 12 25.1(c)(3)(C) of this chapter, an economic development area described  
 13 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 14 area described in section 25.1(c)(3)(C) of this chapter, the expiration  
 15 date of the allocation provision may not be more than thirty-five (35)  
 16 years after the date on which the allocation provision is established.  
 17 The allocation provision may apply to all or part of the redevelopment  
 18 project area. The allocation provision must require that any property  
 19 taxes subsequently levied by or for the benefit of any public body  
 20 entitled to a distribution of property taxes on taxable property in the  
 21 allocation area be allocated and distributed as follows:

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

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

26 or

27 (B) the base assessed value;

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

30 **(2) This subdivision applies to an allocation area established**  
 31 **in accordance with section 15 of this chapter after June 30,**  
 32 **2023. Twenty percent (20%) of the excess of the proceeds of**  
 33 **the property taxes imposed:**

34 **(A) for the assessment date with respect to which the**  
 35 **allocation and distribution is made for the allocation area;**  
 36 **and**

37 **(B) that is not otherwise included in subdivisions (1) and**  
 38 **(3);**

39 **shall be allocated to and, when collected, paid to school**  
 40 **corporations that maintain an attendance area that includes**  
 41 **all or part of the allocation area. If more than one (1) school**  
 42 **corporation maintains an attendance area within the**



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**allocation area, the distribution shall be apportioned based on the allocation attributable to each school corporation. A school corporation that receives a distribution under this subdivision may use the distribution only to fund career and technical education programs of the applicable school corporation.**

~~(2)~~ **(3)** The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in ~~subdivision (1)~~ **subdivisions (1) and (2)** shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

~~(3)~~ **(4)** Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1), **(2)**, and ~~(2)~~ **(3)** shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.
- (G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this



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





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incurred in training employees of industrial facilities that are located:

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

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

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

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

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

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

~~(4)~~ **(5)** Except as provided in subsection (g), before June 15 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the



1 property taxes necessary to make, when due, principal and  
 2 interest payments on bonds described in subdivision ~~(3)~~; **(4)**,  
 3 plus the amount necessary for other purposes described in  
 4 subdivision ~~(3)~~; **(4)**.

5 (B) Provide a written notice to the county auditor, the fiscal  
 6 body of the county or municipality that established the  
 7 department of redevelopment, and the officers who are  
 8 authorized to fix budgets, tax rates, and tax levies under  
 9 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 10 or partly located within the allocation area. The county auditor,  
 11 upon receiving the notice, shall forward this notice (in an  
 12 electronic format) to the department of local government  
 13 finance not later than June 15 of each year. 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 of assessed value to the respective taxing units under this  
 25 subdivision if to do so would endanger the interests of the  
 26 holders of bonds described in subdivision ~~(3)~~ **(4)** or lessors  
 27 under section 25.3 of this chapter.

28 (C) If:

29 (i) the amount of excess assessed value determined by the  
 30 commission is expected to generate more than two hundred  
 31 percent (200%) of the amount of allocated tax proceeds  
 32 necessary to make, when due, principal and interest  
 33 payments on bonds described in subdivision ~~(3)~~; **(4)**; plus

34 (ii) the amount necessary for other purposes described in  
 35 subdivision ~~(3)~~; **(4)**;

36 the commission shall submit to the legislative body of the unit  
 37 its determination of the excess assessed value that the  
 38 commission proposes to allocate to the respective taxing units  
 39 in the manner prescribed in subdivision (1). The legislative  
 40 body of the unit may approve the commission's determination  
 41 or modify the amount of the excess assessed value that will be  
 42 allocated to the respective taxing units in the manner



- 1 prescribed in subdivision (1).  
 2 ~~(5)~~ **(6)** Notwithstanding subdivision ~~(4)~~; **(5)**, in the case of an  
 3 allocation area that is established after June 30, 2019, and that is  
 4 located in a redevelopment project area described in section  
 5 25.1(c)(3)(C) of this chapter, an economic development area  
 6 described in section 25.1(c)(3)(C) of this chapter, or an urban  
 7 renewal project area described in section 25.1(c)(3)(C) of this  
 8 chapter, for each year the allocation provision is in effect, if the  
 9 amount of excess assessed value determined by the commission  
 10 under subdivision ~~(4)(A)~~ **(5)(A)** is expected to generate more than  
 11 two hundred percent (200%) of:  
 12 (A) the amount of allocated tax proceeds necessary to make,  
 13 when due, principal and interest payments on bonds described  
 14 in subdivision ~~(3)~~ **(4)** for the project; plus  
 15 (B) the amount necessary for other purposes described in  
 16 subdivision ~~(3)~~ **(4)** for the project;  
 17 the amount of the excess assessed value that generates more than  
 18 two hundred percent (200%) of the amounts described in clauses  
 19 (A) and (B) shall be allocated to the respective taxing units in the  
 20 manner prescribed by subdivision (1).  
 21 (c) For the purpose of allocating taxes levied by or for any taxing  
 22 unit or units, the assessed value of taxable property in a territory in the  
 23 allocation area that is annexed by any taxing unit after the effective  
 24 date of the allocation provision of the declaratory resolution is the  
 25 lesser of:  
 26 (1) the assessed value of the property for the assessment date with  
 27 respect to which the allocation and distribution is made; or  
 28 (2) the base assessed value.  
 29 (d) Property tax proceeds allocable to the redevelopment district  
 30 under subsection ~~(b)(3)~~ **(b)(4)** may, subject to subsection ~~(b)(4)~~; **(b)(5)**,  
 31 be irrevocably pledged by the redevelopment district for payment as set  
 32 forth in subsection ~~(b)(3)~~; **(b)(4)**.  
 33 (e) Notwithstanding any other law, each assessor shall, upon  
 34 petition of the redevelopment commission, reassess the taxable  
 35 property situated upon or in, or added to, the allocation area, effective  
 36 on the next assessment date after the petition.  
 37 (f) Notwithstanding any other law, the assessed value of all taxable  
 38 property in the allocation area, for purposes of tax limitation, property  
 39 tax replacement, and formulation of the budget, tax rate, and tax levy  
 40 for each political subdivision in which the property is located is the  
 41 lesser of:  
 42 (1) the assessed value of the property as valued without regard to



1 this section; or

2 (2) the base assessed value.

3 (g) If any part of the allocation area is located in an enterprise zone  
 4 created under IC 5-28-15, the unit that designated the allocation area  
 5 shall create funds as specified in this subsection. A unit that has  
 6 obligations, bonds, or leases payable from allocated tax proceeds under  
 7 subsection ~~(b)(3)~~ **(b)(4)** shall establish an allocation fund for the  
 8 purposes specified in subsection ~~(b)(3)~~ **(b)(4)** and a special zone fund.  
 9 Such a unit shall, until the end of the enterprise zone phase out period,  
 10 deposit each year in the special zone fund any amount in the allocation  
 11 fund derived from property tax proceeds in excess of those described  
 12 in subsection (b)(1), ~~and (b)(2), and (b)(3)~~ from property located in the  
 13 enterprise zone that exceeds the amount sufficient for the purposes  
 14 specified in subsection ~~(b)(3)~~ **(b)(4)** for the year. The amount sufficient  
 15 for purposes specified in subsection ~~(b)(3)~~ **(b)(4)** for the year shall be  
 16 determined based on the pro rata portion of such current property tax  
 17 proceeds from the part of the enterprise zone that is within the  
 18 allocation area as compared to all such current property tax proceeds  
 19 derived from the allocation area. A unit that has no obligations, bonds,  
 20 or leases payable from allocated tax proceeds under subsection ~~(b)(3)~~  
 21 **(b)(4)** shall establish a special zone fund and deposit all the property  
 22 tax proceeds in excess of those described in subsection (b)(1), ~~and~~  
 23 (b)(2), ~~and (b)(3)~~ in the fund derived from property tax proceeds in  
 24 excess of those described in subsection (b)(1), ~~and (b)(2), and (b)(3)~~  
 25 from property located in the enterprise zone. The unit that creates the  
 26 special zone fund shall use the fund (based on the recommendations of  
 27 the urban enterprise association) for programs in job training, job  
 28 enrichment, and basic skill development that are designed to benefit  
 29 residents and employers in the enterprise zone or other purposes  
 30 specified in subsection ~~(b)(3)~~; **(b)(4)**, except that where reference is  
 31 made in subsection ~~(b)(3)~~ **(b)(4)** to allocation area it shall refer for  
 32 purposes of payments from the special zone fund only to that part of the  
 33 allocation area that is also located in the enterprise zone. Those  
 34 programs shall reserve at least one-half (1/2) of their enrollment in any  
 35 session for residents of the enterprise zone.

36 (h) The state board of accounts and department of local government  
 37 finance shall make the rules and prescribe the forms and procedures  
 38 that they consider expedient for the implementation of this chapter.  
 39 After each reassessment in an area under a reassessment plan prepared  
 40 under IC 6-1.1-4-4.2, the department of local government finance shall  
 41 adjust the base assessed value one (1) time to neutralize any effect of  
 42 the reassessment of the real property in the area on the property tax



1 proceeds allocated to the redevelopment district under this section.  
 2 After each annual adjustment under IC 6-1.1-4-4.5, the department of  
 3 local government finance shall adjust the base assessed value one (1)  
 4 time to neutralize any effect of the annual adjustment on the property  
 5 tax proceeds allocated to the redevelopment district under this section.

6 However, the adjustments under this subsection:

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

9 (2) may not produce less property tax proceeds allocable to the  
 10 redevelopment district under subsection ~~(b)(3)~~ **(b)(4)** than would  
 11 otherwise have been received if the reassessment under the  
 12 reassessment plan or the annual adjustment had not occurred; and

13 (3) may decrease base assessed value only to the extent that  
 14 assessed values in the allocation area have been decreased due to  
 15 annual adjustments or the reassessment under the reassessment  
 16 plan.

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

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

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

25 (2) Subject to subdivision (3), the initial allocation deadline and  
 26 subsequent allocation deadlines are automatically extended in  
 27 increments of five (5) years, so that allocation deadlines  
 28 subsequent to the initial allocation deadline fall on December 31,  
 29 2016, and December 31 of each fifth year thereafter.

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

33 (A) terminates the automatic extension of allocation deadlines  
 34 under subdivision (2); and

35 (B) specifically designates a particular date as the final  
 36 allocation deadline.

37 (j) If a redevelopment commission adopts a declaratory resolution  
 38 or an amendment to a declaratory resolution that contains an allocation  
 39 provision and the redevelopment commission makes either of the  
 40 filings required under section 17(e) of this chapter after the first  
 41 anniversary of the effective date of the allocation provision, the auditor  
 42 of the county in which the unit is located shall compute the base



1 assessed value for the allocation area using the assessment date  
2 immediately preceding the later of:

- 3 (1) the date on which the documents are filed with the county
- 4 auditor; or
- 5 (2) the date on which the documents are filed with the department
- 6 of local government finance.

7 (k) For an allocation area established after June 30, 2024,  
8 "residential property" refers to the assessed value of property that is  
9 allocated to the one percent (1%) homestead land and improvement  
10 categories in the county tax and billing software system, along with the  
11 residential assessed value as defined for purposes of calculating the  
12 rate for the local income tax property tax relief credit designated for  
13 residential property under IC 6-3.6-5-6(d)(3).

14 **(l) This subsection applies to an allocation area established in**  
15 **accordance with section 15 of this chapter before July 1, 2023. The**  
16 **redevelopment commission is strongly encouraged to make**  
17 **allocations to a school corporation in the manner described in**  
18 **subsection (b)(2).**

19 SECTION 9. IC 36-7-14-48, AS AMENDED BY P.L.38-2021,  
20 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 2023]: Sec. 48. (a) Notwithstanding section 39(a) of this  
22 chapter, with respect to the allocation and distribution of property taxes  
23 for the accomplishment of a program adopted under section 45 of this  
24 chapter, "base assessed value" means, subject to section 39(j) of this  
25 chapter, the net assessed value of all of the property, other than  
26 personal property, as finally determined for the assessment date  
27 immediately preceding the effective date of the allocation provision, as  
28 adjusted under section 39(h) of this chapter.

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

- 33 (1) The construction, rehabilitation, or repair of residential units
- 34 within the allocation area.
- 35 (2) The construction, reconstruction, or repair of any
- 36 infrastructure (including streets, sidewalks, and sewers) within or
- 37 serving the allocation area.
- 38 (3) The acquisition of real property and interests in real property
- 39 within the allocation area.
- 40 (4) The demolition of real property within the allocation area.
- 41 (5) The provision of financial assistance to enable individuals and
- 42 families to purchase or lease residential units within the allocation



1 area. However, financial assistance may be provided only to those  
 2 individuals and families whose income is at or below the county's  
 3 median income for individuals and families, respectively.

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

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

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

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

24 STEP TWO: Divide:

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

29 (B) the amount determined under STEP ONE.

30 STEP THREE: Multiply:

31 (A) the STEP TWO quotient; by

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

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



1 resolution the following:

- 2 (1) That the money to be collected and deposited in the allocation  
3 fund, based upon historical collection rates, after granting the  
4 credit will equal the amounts payable for contractual obligations  
5 from the fund, plus ten percent (10%) of those amounts.  
6 (2) If bonds payable from the fund are outstanding, that there is  
7 a debt service reserve for the bonds that at least equals the amount  
8 of the credit to be granted.  
9 (3) If bonds of a lessor under section 25.2 of this chapter or under  
10 IC 36-1-10 are outstanding and if lease rentals are payable from  
11 the fund, that there is a debt service reserve for those bonds that  
12 at least equals the amount of the credit to be granted.

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

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

- 19 (1) Accomplish one (1) or more of the actions set forth in section  
20 ~~39(b)(3)(A)~~ **39(b)(4)(A)** through ~~39(b)(3)(H)~~ **39(b)(4)(H)** and  
21 ~~39(b)(3)(J)~~ **39(b)(4)(J)** of this chapter for property that is  
22 residential in nature.  
23 (2) Reimburse the county or municipality for expenditures made  
24 by the county or municipality in order to accomplish the housing  
25 program in that allocation area.

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

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

- 32 (1) Determine the amount, if any, by which the assessed value of  
33 the taxable property in the allocation area for the most recent  
34 assessment date minus the base assessed value, when multiplied  
35 by the estimated tax rate of the allocation area, will exceed the  
36 amount of assessed value needed to produce the property taxes  
37 necessary to:  
38 (A) make the distribution required under section 39(b)(2) **and**  
39 **39(b)(3)** of this chapter;  
40 (B) make, when due, principal and interest payments on bonds  
41 described in section ~~39(b)(3)~~ **39(b)(4)** of this chapter;  
42 (C) pay the amount necessary for other purposes described in





- 1 section ~~39(b)(3)~~ **39(b)(4)** of this chapter; and
- 2 (D) reimburse the county or municipality for anticipated
- 3 expenditures described in subsection (e)(2).
- 4 (2) Provide a written notice to the county auditor, the fiscal body
- 5 of the county or municipality that established the department of
- 6 redevelopment, and the officers who are authorized to fix budgets,
- 7 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 8 taxing units that is wholly or partly located within the allocation
- 9 area. The county auditor, upon receiving the notice, shall forward
- 10 this notice (in an electronic format) to the department of local
- 11 government finance not later than June 15 of each year. The
- 12 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 10. IC 36-7-14-52, AS AMENDED BY P.L.38-2021,  
 8 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 2023]: 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, subject to section 39(j) of this chapter, the net assessed  
 14 value of all of the property, other than personal property, as finally  
 15 determined for the assessment date immediately preceding the effective  
 16 date of the allocation provision, as adjusted under section 39(h) of this  
 17 chapter.

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

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

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

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

30 (4) To do any of the following:

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

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

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



- 1 (D) Pay the principal of and interest on bonds issued by the  
 2 unit to pay for local public improvements that are physically  
 3 located in or physically connected to the allocation area.
- 4 (E) Pay premiums on the redemption before maturity of bonds  
 5 payable solely or in part from allocated tax proceeds in the  
 6 allocation area.
- 7 (F) Make payments on leases payable from allocated tax  
 8 proceeds in the allocation area under section 25.2 of this  
 9 chapter.
- 10 (G) Reimburse the unit for expenditures made by the unit for  
 11 local public improvements (which include buildings, parking  
 12 facilities, and other items described in section 25.1(a) of this  
 13 chapter) that are physically located in or physically connected  
 14 to the allocation area.
- 15 (c) Notwithstanding section 39(b) of this chapter, the commission  
 16 shall, relative to the allocation fund established under section 39(b) of  
 17 this chapter for an allocation area for an age-restricted housing program  
 18 adopted under section 49 of this chapter, do the following before June  
 19 15 of each year:
- 20 (1) Determine the amount, if any, by which the assessed value of  
 21 the taxable property in the allocation area for the most recent  
 22 assessment date minus the base assessed value, when multiplied  
 23 by the estimated tax rate of the allocation area, will exceed the  
 24 amount of assessed value needed to produce the property taxes  
 25 necessary to:
- 26 (A) make the distribution required under section 39(b)(2) **and**  
 27 **39(b)(3)** of this chapter;
- 28 (B) make, when due, principal and interest payments on bonds  
 29 described in section ~~39(b)(3)~~ **39(b)(4)** of this chapter;
- 30 (C) pay the amount necessary for other purposes described in  
 31 section ~~39(b)(3)~~ **39(b)(4)** of this chapter; and
- 32 (D) reimburse the county or municipality for anticipated  
 33 expenditures described in subsection (b)(2).
- 34 (2) Provide a written notice to the county auditor, the fiscal body  
 35 of the county or municipality that established the department of  
 36 redevelopment, and the officers who are authorized to fix budgets,  
 37 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 38 taxing units that is wholly or partly located within the allocation  
 39 area. The county auditor, upon receiving the notice, shall forward  
 40 this notice (in an electronic format) to the department of local  
 41 government finance not later than June 15 of each year. The  
 42 notice must:



- 1 (A) state the amount, if any, of excess property taxes that the  
 2 commission has determined may be paid to the respective  
 3 taxing units in the manner prescribed in section 39(b)(1) of  
 4 this chapter; or  
 5 (B) state that the commission has determined that there is no  
 6 excess assessed value that may be allocated to the respective  
 7 taxing units in the manner prescribed in subdivision (1).
- 8 The county auditor shall allocate to the respective taxing units the  
 9 amount, if any, of excess assessed value determined by the  
 10 commission.
- 11 SECTION 11. IC 36-7-14-56, AS ADDED BY P.L.235-2019,  
 12 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2023]: Sec. 56. (a) This section applies only to a residential  
 14 housing development program authorized by section 53 of this chapter.
- 15 (b) Notwithstanding section 39(a) of this chapter, with respect to the  
 16 allocation and distribution of property taxes for the accomplishment of  
 17 the purposes of a residential housing development program adopted  
 18 under section 53 of this chapter, "base assessed value" means the net  
 19 assessed value of all of the property, other than personal property, as  
 20 finally determined for the assessment date immediately preceding the  
 21 effective date of the allocation provision, as adjusted under section  
 22 39(h) of this chapter.
- 23 (c) The allocation fund established under section 39(b) of this  
 24 chapter for the allocation area for a residential housing development  
 25 program adopted under section 53 of this chapter may be used only for  
 26 purposes related to the accomplishment of the purposes of the program,  
 27 including, but not limited to, the following:
- 28 (1) The construction of any infrastructure (including streets,  
 29 roads, and sidewalks) or local public improvements in, serving,  
 30 or benefiting a residential housing development project.
- 31 (2) The acquisition of real property and interests in real property  
 32 for rehabilitation purposes within the allocation area.
- 33 (3) The preparation of real property in anticipation of  
 34 development of the real property within the allocation area.
- 35 (4) To do any of the following:
- 36 (A) Pay the principal of and interest on bonds or any other  
 37 obligations payable from allocated tax proceeds in the  
 38 allocation area that are incurred by the redevelopment district  
 39 for the purpose of financing or refinancing the residential  
 40 housing development program established under section 53 of  
 41 this chapter for the allocation area.
- 42 (B) Establish, augment, or restore the debt service reserve for



- 1           bonds payable solely or in part from allocated tax proceeds in
- 2           the allocation area.
- 3           (C) Pay the principal of and interest on bonds payable from
- 4           allocated tax proceeds in the allocation area and from the
- 5           special tax levied under section 27 of this chapter.
- 6           (D) Pay the principal of and interest on bonds issued by the
- 7           unit to pay for local public improvements that are physically
- 8           located in or physically connected to the allocation area.
- 9           (E) Pay premiums on the redemption before maturity of bonds
- 10          payable solely or in part from allocated tax proceeds in the
- 11          allocation area.
- 12          (F) Make payments on leases payable from allocated tax
- 13          proceeds in the allocation area under section 25.2 of this
- 14          chapter.
- 15          (G) Reimburse the unit for expenditures made by the unit for
- 16          local public improvements (which include buildings, parking
- 17          facilities, and other items described in section 25.1(a) of this
- 18          chapter) that are physically located in or physically connected
- 19          to the allocation area.
- 20          (d) Notwithstanding section 39(b) of this chapter, the commission
- 21          shall, relative to the allocation fund established under section 39(b) of
- 22          this chapter for an allocation area for a residential housing
- 23          development program adopted under section 53 of this chapter, do the
- 24          following before June 15 of each year:
- 25               (1) Determine the amount, if any, by which the assessed value of
- 26               the taxable property in the allocation area for the most recent
- 27               assessment date minus the base assessed value, when multiplied
- 28               by the estimated tax rate of the allocation area, will exceed the
- 29               amount of assessed value needed to produce the property taxes
- 30               necessary to:
- 31                     (A) make the distribution required under section 39(b)(2) **and**
- 32                     **39(b)(3)** of this chapter;
- 33                     (B) make, when due, principal and interest payments on bonds
- 34                     described in section ~~39(b)(3)~~ **39(b)(4)** of this chapter;
- 35                     (C) pay the amount necessary for other purposes described in
- 36                     section ~~39(b)(3)~~ **39(b)(4)** of this chapter; and
- 37                     (D) reimburse the county or municipality for anticipated
- 38                     expenditures described in subsection (c)(2).
- 39               (2) Provide a written notice to the county auditor, the fiscal body
- 40               of the county or municipality that established the department of
- 41               redevelopment, the officers who are authorized to fix budgets, tax
- 42               rates, and tax levies under IC 6-1.1-17-5 for each of the other



1 taxing units that are wholly or partly located within the allocation  
 2 area, and (in an electronic format) the department of local  
 3 government finance. The notice must:

4 (A) state the amount, if any, of excess property taxes that the  
 5 commission has determined may be paid to the respective  
 6 taxing units in the manner prescribed in section 39(b)(1) of  
 7 this chapter; or

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

11 The county auditor shall allocate to the respective taxing units the  
 12 amount, if any, of excess assessed value determined by the  
 13 commission.

14 (e) If the amount of excess assessed value determined by the  
 15 commission is expected to generate more than two hundred percent  
 16 (200%) of the amount of allocated tax proceeds:

17 (1) necessary to make, when due, principal and interest payments  
 18 on bonds described in ~~39(b)(3)~~ **section 39(b)(4)** of this chapter;  
 19 plus

20 (2) the amount necessary for other purposes described in ~~39(b)(3)~~  
 21 **section 39(b)(4)** of this chapter;

22 the commission shall submit to the county or municipal legislative  
 23 body its determination of the excess assessed value that the  
 24 commission proposes to allocate to the respective taxing units in the  
 25 manner prescribed in subsection (d)(2). The county or municipal  
 26 legislative body may approve the commission's determination or  
 27 modify the amount of the excess assessed value that will be allocated  
 28 to the respective taxing units in the manner prescribed in subsection  
 29 (d)(2).

30 (f) An allocation area must terminate on the date the residential  
 31 housing development program is terminated as set forth in section  
 32 53(e) of this chapter.

33 SECTION 12. IC 36-7-14.5-12.5, AS AMENDED BY  
 34 P.L.242-2015, SECTION 43, IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 12.5. (a) This section  
 36 applies only to an authority in a county having a United States  
 37 government military base that is scheduled for closing or is completely  
 38 or partially inactive or closed.

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

41 (1) by following the procedures set forth in IC 36-7-14-41 for the  
 42 establishment of an economic development area by a



1 redevelopment commission; and

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

4 The area established under this section shall be established only in the  
5 area where a United States government military base that is scheduled  
6 for closing or is completely or partially inactive or closed is or was  
7 located.

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

11 (1) Acquire by purchase, exchange, gift, grant, condemnation, or  
12 lease, or any combination of methods, any personal property or  
13 interest in real property needed for the redevelopment of  
14 economic development areas located within the corporate  
15 boundaries of the unit.

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

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

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

27 (5) Repair and maintain structures acquired for redevelopment  
28 purposes.

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

31 (7) Survey or examine any land to determine whether the land  
32 should be included within an economic development area to be  
33 acquired for redevelopment purposes and to determine the value  
34 of that land.

35 (8) Appear before any other department or agency of the unit, or  
36 before any other governmental agency in respect to any matter  
37 affecting:

38 (A) real property acquired or being acquired for  
39 redevelopment purposes; or

40 (B) any economic development area within the jurisdiction of  
41 the authority.

42 (9) Institute or defend in the name of the unit any civil action, but



- 1 all actions against the authority must be brought in the circuit or  
 2 superior court of the county where the authority is located.
- 3 (10) Use any legal or equitable remedy that is necessary or  
 4 considered proper to protect and enforce the rights of and perform  
 5 the duties of the authority.
- 6 (11) Exercise the power of eminent domain in the name of and  
 7 within the corporate boundaries of the unit subject to the same  
 8 conditions and procedures that apply to the exercise of the power  
 9 of eminent domain by a redevelopment commission under  
 10 IC 36-7-14.
- 11 (12) Appoint an executive director, appraisers, real estate experts,  
 12 engineers, architects, surveyors, and attorneys.
- 13 (13) Appoint clerks, guards, laborers, and other employees the  
 14 authority considers advisable, except that those appointments  
 15 must be made in accordance with the merit system of the unit if  
 16 such a system exists.
- 17 (14) Prescribe the duties and regulate the compensation of  
 18 employees of the authority.
- 19 (15) Provide a pension and retirement system for employees of  
 20 the authority by using the public employees' retirement fund or a  
 21 retirement plan approved by the United States Department of  
 22 Housing and Urban Development.
- 23 (16) Discharge and appoint successors to employees of the  
 24 authority subject to subdivision (13).
- 25 (17) Rent offices for use of the department or authority, or accept  
 26 the use of offices furnished by the unit.
- 27 (18) Equip the offices of the authority with the necessary  
 28 furniture, furnishings, equipment, records, and supplies.
- 29 (19) Design, order, contract for, and construct, reconstruct,  
 30 improve, or renovate the following:
- 31 (A) Any local public improvement or structure that is  
 32 necessary for redevelopment purposes or economic  
 33 development within the corporate boundaries of the unit.
- 34 (B) Any structure that enhances development or economic  
 35 development.
- 36 (20) Contract for the construction, extension, or improvement of  
 37 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
- 38 (21) Accept loans, grants, and other forms of financial assistance  
 39 from, or contract with, the federal government, the state  
 40 government, a municipal corporation, a special taxing district, a  
 41 foundation, or any other source.
- 42 (22) Make and enter into all contracts and agreements necessary





1 or incidental to the performance of the duties of the authority and  
 2 the execution of the powers of the authority under this chapter.

3 (23) Take any action necessary to implement the purpose of the  
 4 authority.

5 (24) Provide financial assistance, in the manner that best serves  
 6 the purposes set forth in section 11 of this chapter, including  
 7 grants and loans, to enable private enterprise to develop,  
 8 redevelop, and reuse military base property or otherwise enable  
 9 private enterprise to provide social and economic benefits to the  
 10 citizens of the unit.

11 (d) An authority may designate all or a portion of an economic  
 12 development area created under this section as an allocation area by  
 13 following the procedures set forth in IC 36-7-14-39 for the  
 14 establishment of an allocation area by a redevelopment commission.  
 15 The allocation provision may modify the definition of "property taxes"  
 16 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the  
 17 depreciable personal property located and taxable on the site of  
 18 operations of designated taxpayers in accordance with the procedures  
 19 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3  
 20 applies to such a modification. An allocation area established by an  
 21 authority under this section is a special taxing district authorized by the  
 22 general assembly to enable the unit to provide special benefits to  
 23 taxpayers in the allocation area by promoting economic development  
 24 that is of public use and benefit. For allocation areas established for an  
 25 economic development area created under this section after June 30,  
 26 1997, and to the expanded portion of an allocation area for an  
 27 economic development area that was established before June 30, 1997,  
 28 and that is expanded under this section after June 30, 1997, the net  
 29 assessed value of property that is assessed as residential property under  
 30 the rules of the department of local government finance, as finally  
 31 determined for any assessment date, must be allocated. All of the  
 32 provisions of IC 36-7-14-39 apply to an allocation area created under  
 33 this section, except that the authority shall be vested with the rights and  
 34 duties of a commission as referenced in those sections, except that the  
 35 expiration date of any allocation provision for the allocation area is the  
 36 later of July 1, 2016, or the expiration date determined under  
 37 IC 36-7-14-39(b), and except that, notwithstanding  
 38 ~~IC 36-7-14-39(b)(3)~~, **IC 36-7-14-39(b)(4)**, property tax proceeds paid  
 39 into the allocation fund may be used by the authority only to do one (1)  
 40 or more of the following:

41 (1) Pay the principal of and interest and redemption premium on  
 42 any obligations incurred by the special taxing district or any other



1 entity for the purpose of financing or refinancing military base  
2 reuse activities in or serving or benefiting that allocation area.

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

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

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

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

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

17 (A) in the allocation area; and

18 (B) on a parcel of real property that has been classified as  
19 industrial property under the rules of the department of local  
20 government finance.

21 However, the total amount of money spent for this purpose in any  
22 year may not exceed the total amount of money in the allocation  
23 fund that is attributable to property taxes paid by the industrial  
24 facilities described in clause (B). The reimbursements under this  
25 subdivision must be made within three (3) years after the date on  
26 which the investments that are the basis for the increment  
27 financing are made.

28 (e) In addition to other methods of raising money for property  
29 acquisition, redevelopment, or economic development activities in or  
30 directly serving or benefiting an economic development area created  
31 by an authority under this section, and in anticipation of the taxes  
32 allocated under subsection (d), other revenues of the authority, or any  
33 combination of these sources, the authority may, by resolution, issue  
34 the bonds of the special taxing district in the name of the unit. Bonds  
35 issued under this section may be issued in any amount without  
36 limitation. The following apply if such a resolution is adopted:

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

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



- 1 (3) The bonds are exempt from taxation for all purposes.
- 2 (4) Bonds issued under this section may be sold at public sale in  
3 accordance with IC 5-1-11 or at a negotiated sale.
- 4 (5) The bonds are not a corporate obligation of the unit but are an  
5 indebtedness of the taxing district. The bonds and interest are  
6 payable, as set forth in the bond resolution of the authority:
- 7 (A) from the tax proceeds allocated under subsection (d);  
8 (B) from other revenues available to the authority; or  
9 (C) from a combination of the methods stated in clauses (A)  
10 and (B).
- 11 (6) Proceeds from the sale of bonds may be used to pay the cost  
12 of interest on the bonds for a period not to exceed five (5) years  
13 from the date of issuance.
- 14 (7) Laws relating to the filing of petitions requesting the issuance  
15 of bonds and the right of taxpayers and voters to remonstrate  
16 against the issuance of bonds do not apply to bonds issued under  
17 this section.
- 18 (8) If a debt service reserve is created from the proceeds of bonds,  
19 the debt service reserve may be used to pay principal and interest  
20 on the bonds as provided in the bond resolution.
- 21 (9) If bonds are issued under this chapter that are payable solely  
22 or in part from revenues to the authority from a project or  
23 projects, the authority may adopt a resolution or trust indenture or  
24 enter into covenants as is customary in the issuance of revenue  
25 bonds. The resolution or trust indenture may pledge or assign the  
26 revenues from the project or projects. The resolution or trust  
27 indenture may also contain any provisions for protecting and  
28 enforcing the rights and remedies of the bond owners as may be  
29 reasonable and proper and not in violation of law, including  
30 covenants setting forth the duties of the authority. The authority  
31 may establish fees and charges for the use of any project and  
32 covenant with the owners of any bonds to set those fees and  
33 charges at a rate sufficient to protect the interest of the owners of  
34 the bonds. Any revenue bonds issued by the authority that are  
35 payable solely from revenues of the authority shall contain a  
36 statement to that effect in the form of bond.
- 37 (f) Notwithstanding section 8(a) of this chapter, an ordinance  
38 adopted under section 11 of this chapter may provide, or be amended  
39 to provide, that the board of directors of the authority shall be  
40 composed of not fewer than three (3) nor more than eleven (11)  
41 members, who must be residents of or be employed at a place of  
42 employment located within the unit. The members shall be appointed



1 by the executive of the unit.

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

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

10 (i) Notwithstanding any other law, utility services provided within  
11 an economic development area established under this section are  
12 subject to regulation by the appropriate regulatory agencies unless the  
13 utility service is provided by a utility that provides utility service solely  
14 within the geographic boundaries of an existing or a closed military  
15 installation, in which case the utility service is not subject to regulation  
16 for purposes of rate making, regulation, service delivery, or issuance of  
17 bonds or other forms of indebtedness. However, this exemption from  
18 regulation does not apply to utility service if the service is generated,  
19 treated, or produced outside the boundaries of the existing or closed  
20 military installation.

21 SECTION 13. IC 36-7-15.1-45, AS AMENDED BY P.L.203-2011,  
22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2023]: Sec. 45. (a) In addition to other methods of raising  
24 money for property acquisition or redevelopment in a redevelopment  
25 project area, and in anticipation of the special tax to be levied under  
26 section 50 of this chapter, the taxes allocated under section 53 of this  
27 chapter, or other revenues of the redevelopment district, a commission  
28 may, by resolution, issue the bonds of its redevelopment district in the  
29 name of the excluded city. The amount of the bonds may not exceed  
30 the total, as estimated by the commission, of all expenses reasonably  
31 incurred in connection with the acquisition and redevelopment of the  
32 property, including:

- 33 (1) the total cost of all land, rights-of-way, and other property to  
34 be acquired and redeveloped;  
35 (2) all reasonable and necessary architectural, engineering, legal,  
36 financing, accounting, advertising, bond discount, and  
37 supervisory expenses related to the acquisition and redevelopment  
38 of the property or the issuance of bonds;  
39 (3) capitalized interest permitted in this chapter and a debt service  
40 reserve for the bonds, to the extent that the redevelopment  
41 commission determines that a reserve is reasonably required;  
42 (4) the total cost of all clearing and construction work provided



- 1 for in the resolution; and  
 2 (5) expenses that the commission is required or permitted to pay  
 3 under IC 8-23-17.
- 4 (b) If a commission plans to acquire different parcels of land or let  
 5 different contracts for redevelopment work at approximately the same  
 6 time, whether under one (1) or more resolutions, a commission may  
 7 provide for the total cost in one (1) issue of bonds.
- 8 (c) The bonds must be dated as set forth in the bond resolution and  
 9 negotiable subject to the requirements concerning registration of the  
 10 bonds. The resolution authorizing the bonds must state:  
 11 (1) the denominations of the bonds;  
 12 (2) the place or places at which the bonds are payable; and  
 13 (3) the term of the bonds, which may not exceed:  
 14 (A) fifty (50) years, for bonds issued before July 1, 2008; or  
 15 (B) twenty-five (25) years, for bonds issued after June 30,  
 16 2008.
- 17 The resolution may also state that the bonds are redeemable before  
 18 maturity with or without a premium, as determined by the commission.
- 19 (d) The commission shall certify a copy of the resolution authorizing  
 20 the bonds to the fiscal officer of the excluded city, who shall then  
 21 prepare the bonds. The seal of the unit must be impressed on the bonds,  
 22 or a facsimile of the seal must be printed on the bonds.
- 23 (e) The bonds shall be executed by the excluded city executive and  
 24 attested by the excluded city fiscal officer. The interest coupons, if any,  
 25 shall be executed by the facsimile signature of the excluded city fiscal  
 26 officer.
- 27 (f) The bonds are exempt from taxation as provided by IC 6-8-5.
- 28 (g) The excluded city fiscal officer shall sell the bonds according to  
 29 law. Bonds payable solely or in part from tax proceeds allocated under  
 30 section ~~53(b)(3)~~ **53(b)(4)** of this chapter or other revenues of the  
 31 district may be sold at private negotiated sale and at a price or prices  
 32 not less than ninety-seven percent (97%) of the par value.
- 33 (h) The bonds are not a corporate obligation of the excluded city but  
 34 are an indebtedness of the redevelopment district. The bonds and  
 35 interest are payable:  
 36 (1) from a special tax levied upon all of the property in the  
 37 redevelopment district, as provided by section 50 of this chapter;  
 38 (2) from the tax proceeds allocated under section ~~53(b)(3)~~  
 39 **53(b)(4)** of this chapter;  
 40 (3) from other revenues available to the commission; or  
 41 (4) from a combination of the methods described in subdivisions  
 42 (1) through (3);



1 and from any revenues of the designated project. If the bonds are  
 2 payable solely from the tax proceeds allocated under section ~~53(b)(3)~~  
 3 **53(b)(4)** of this chapter, other revenues of the redevelopment  
 4 commission, or any combination of these sources, they may be issued  
 5 in any amount without limitation.

6 (i) Proceeds from the sale of the bonds may be used to pay the cost  
 7 of interest on the bonds for a period not to exceed five (5) years from  
 8 the date of issue.

9 (j) The laws relating to the filing of petitions requesting the issuance  
 10 of bonds and the right of taxpayers and voters to remonstrate against,  
 11 or vote on, the issuance of bonds applicable to bonds issued under this  
 12 chapter do not apply to bonds payable solely or in part from tax  
 13 proceeds allocated under section ~~53(b)(3)~~ **53(b)(4)** of this chapter,  
 14 other revenues of the commission, or any combination of these sources.

15 (k) If bonds are issued under this chapter that are payable solely or  
 16 in part from revenues to a commission from a project or projects, a  
 17 commission may adopt a resolution or trust indenture or enter into  
 18 covenants as is customary in the issuance of revenue bonds. The  
 19 resolution or trust indenture may pledge or assign the revenues from  
 20 the project or projects but may not convey or mortgage any project or  
 21 parts of a project. The resolution or trust indenture may also contain  
 22 any provisions for protecting and enforcing the rights and remedies of  
 23 the bond owners as may be reasonable and proper and not in violation  
 24 of law, including covenants setting forth the duties of the commission.  
 25 The commission may establish fees and charges for the use of any  
 26 project and covenant with the owners of bonds to set those fees and  
 27 charges at a rate sufficient to protect the interest of the owners of the  
 28 bonds. Any revenue bonds issued by the commission that are payable  
 29 solely from revenues of the commission must contain a statement to  
 30 that effect in the form of bond.

31 SECTION 14. IC 36-7-15.1-50, AS AMENDED BY P.L.203-2011,  
 32 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2023]: Sec. 50. (a) This section applies only to:

- 34 (1) bonds that are issued under section 45 of this chapter; or  
 35 (2) leases entered into under section 46 of this chapter;

36 that are payable from a special tax levied upon all of the property in the  
 37 redevelopment district. This section does not apply to bonds or leases  
 38 that are payable solely from tax proceeds allocated under section  
 39 ~~53(b)(3)~~ **53(b)(4)** of this chapter, other revenues of the commission, or  
 40 any combination of these sources.

41 (b) The excluded city legislative body shall levy each year a tax on  
 42 all of the property of the redevelopment district in such a manner as to



1 meet and pay:  
 2 (1) the principal of the bonds as they mature, together with all  
 3 accruing interest on the bonds; or  
 4 (2) lease rental payments under section 46 of this chapter.  
 5 The tax levied shall be certified to the fiscal officers of the excluded  
 6 city and the county before October 2 in each year. The tax shall be  
 7 estimated and entered on the tax duplicate by the county auditor and  
 8 shall be collected and enforced by the county treasurer in the same  
 9 manner as other state and county taxes are estimated, entered,  
 10 collected, and enforced.  
 11 (c) As the tax is collected, it shall be accumulated in a separate fund  
 12 to be known as the redevelopment district bond fund and shall be  
 13 applied to the payment of the bonds as they mature and the interest on  
 14 the bonds as it accrues, or to make lease payments, and to no other  
 15 purpose. All accumulations of the fund before use for the payment of  
 16 bonds and interest or to make lease payments shall be deposited with  
 17 the depository or depositories for other public funds of the city in  
 18 accordance with the statutes concerning the deposit of public funds,  
 19 unless they are invested under IC 5-13.  
 20 (d) The tax levies provided for in this section are reviewable by  
 21 other bodies vested by law with the authority to ascertain that the levies  
 22 are sufficient to raise the amount that, with other amounts available, is  
 23 sufficient to meet the payments under the lease payable from the levy  
 24 of taxes.  
 25 SECTION 15. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,  
 26 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JULY 1, 2023]: Sec. 53. (a) As used in this section:  
 28 "Allocation area" means that part of a redevelopment project area  
 29 to which an allocation provision of a resolution adopted under section  
 30 40 of this chapter refers for purposes of distribution and allocation of  
 31 property taxes.  
 32 "Base assessed value" means, subject to subsection (j):  
 33 (1) the net assessed value of all the property as finally determined  
 34 for the assessment date immediately preceding the effective date  
 35 of the allocation provision of the declaratory resolution, as  
 36 adjusted under subsection (h); plus  
 37 (2) to the extent that it is not included in subdivision (1), the net  
 38 assessed value of property that is assessed as residential property  
 39 under the rules of the department of local government finance, as  
 40 finally determined for the current assessment date.  
 41 Except as provided in section 55 of this chapter, "property taxes"  
 42 means taxes imposed under IC 6-1.1 on real property.



1 (b) A resolution adopted under section 40 of this chapter on or  
 2 before the allocation deadline determined under subsection (i) may  
 3 include a provision with respect to the allocation and distribution of  
 4 property taxes for the purposes and in the manner provided in this  
 5 section. A resolution previously adopted may include an allocation  
 6 provision by the amendment of that resolution on or before the  
 7 allocation deadline determined under subsection (i) in accordance with  
 8 the procedures required for its original adoption. A declaratory  
 9 resolution or an amendment that establishes an allocation provision  
 10 must be approved by resolution of the legislative body of the excluded  
 11 city and must specify an expiration date for the allocation provision.  
 12 For an allocation area established before July 1, 2008, the expiration  
 13 date may not be more than thirty (30) years after the date on which the  
 14 allocation provision is established. For an allocation area established  
 15 after June 30, 2008, the expiration date may not be more than  
 16 twenty-five (25) years after the date on which the first obligation was  
 17 incurred to pay principal and interest on bonds or lease rentals on  
 18 leases payable from tax increment revenues. However, with respect to  
 19 bonds or other obligations that were issued before July 1, 2008, if any  
 20 of the bonds or other obligations that were scheduled when issued to  
 21 mature before the specified expiration date and that are payable only  
 22 from allocated tax proceeds with respect to the allocation area remain  
 23 outstanding as of the expiration date, the allocation provision does not  
 24 expire until all of the bonds or other obligations are no longer  
 25 outstanding. The allocation provision may apply to all or part of the  
 26 redevelopment project area. The allocation provision must require that  
 27 any property taxes subsequently levied by or for the benefit of any  
 28 public body entitled to a distribution of property taxes on taxable  
 29 property in the allocation area be allocated and distributed as follows:

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

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

35 (B) the base assessed value;

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

38 **(2) This subdivision applies to an allocation area established**  
 39 **in accordance with section 8 of this chapter after June 30,**  
 40 **2023. Twenty percent (20%) of the excess of the proceeds of**  
 41 **the property taxes imposed:**

42 (A) for the assessment date with respect to which the





1           **allocation and distribution is made for the allocation area;**  
 2           **and**  
 3           **(B) that is not otherwise included in subdivisions (1) and**  
 4           **(3);**  
 5           **shall be allocated to and, when collected, paid to school**  
 6           **corporations that maintain an attendance area that includes**  
 7           **all or part of the allocation area. If more than one (1) school**  
 8           **corporation maintains an attendance area within the**  
 9           **allocation area, the distribution shall be apportioned based on**  
 10           **the allocation attributable to each school corporation. A**  
 11           **school corporation that receives a distribution under this**  
 12           **subdivision may use the distribution only to fund career and**  
 13           **technical education programs of the applicable school**  
 14           **corporation.**

15           ~~(2)~~ **(3)** The excess of the proceeds of the property taxes imposed  
 16           for the assessment date with respect to which the allocation and  
 17           distribution is made that are attributable to taxes imposed after  
 18           being approved by the voters in a referendum or local public  
 19           question conducted after April 30, 2010, not otherwise included  
 20           in ~~subdivision (1)~~ **subdivisions (1) and (2)** shall be allocated to  
 21           and, when collected, paid into the funds of the taxing unit for  
 22           which the referendum or local public question was conducted.

23           ~~(3)~~ **(4)** Except as otherwise provided in this section, property tax  
 24           proceeds in excess of those described in subdivisions (1), **(2)**, and  
 25           ~~(2)~~ **(3)** shall be allocated to the redevelopment district and, when  
 26           collected, paid into a special fund for that allocation area that may  
 27           be used by the redevelopment district only to do one (1) or more  
 28           of the following:

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

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

36           (C) Pay the principal of and interest on bonds payable from  
 37           allocated tax proceeds in that allocation area and from the  
 38           special tax levied under section 50 of this chapter.

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



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



1 body of the county or municipality that established the  
 2 department of redevelopment, the officers who are authorized  
 3 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 4 each of the other taxing units that is wholly or partly located  
 5 within the allocation area, and (in an electronic format) the  
 6 department of local government finance. The notice must:

7 (i) state the amount, if any, of excess assessed value that the  
 8 commission has determined may be allocated to the  
 9 respective taxing units in the manner prescribed in  
 10 subdivision (1); or

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

14 The county auditor shall allocate to the respective taxing units  
 15 the amount, if any, of excess assessed value determined by the  
 16 commission. The commission may not authorize an allocation  
 17 to the respective taxing units under this subdivision if to do so  
 18 would endanger the interests of the holders of bonds described  
 19 in subdivision ~~(3)~~: **(4)**.

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

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

26 (2) the base assessed value.

27 (d) Property tax proceeds allocable to the redevelopment district  
 28 under subsection ~~(b)(3)~~ **(b)(4)** may, subject to subsection ~~(b)(4)~~; **(b)(5)**,  
 29 be irrevocably pledged by the redevelopment district for payment as set  
 30 forth in subsection ~~(b)(3)~~: **(b)(4)**.

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

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

40 (1) the assessed value of the property as valued without regard to  
 41 this section; or

42 (2) the base assessed value.



1 (g) If any part of the allocation area is located in an enterprise zone  
 2 created under IC 5-28-15, the unit that designated the allocation area  
 3 shall create funds as specified in this subsection. A unit that has  
 4 obligations, bonds, or leases payable from allocated tax proceeds under  
 5 subsection ~~(b)(3)~~ **(b)(4)** shall establish an allocation fund for the  
 6 purposes specified in subsection ~~(b)(3)~~ **(b)(4)** and a special zone fund.  
 7 Such a unit shall, until the end of the enterprise zone phase out period,  
 8 deposit each year in the special zone fund the amount in the allocation  
 9 fund derived from property tax proceeds in excess of those described  
 10 in subsection (b)(1), ~~and (b)(2)~~, **and (b)(3)** from property located in the  
 11 enterprise zone that exceeds the amount sufficient for the purposes  
 12 specified in subsection ~~(b)(3)~~ **(b)(4)** for the year. A unit that has no  
 13 obligations, bonds, or leases payable from allocated tax proceeds under  
 14 subsection ~~(b)(3)~~ **(b)(4)** shall establish a special zone fund and deposit  
 15 all the property tax proceeds in excess of those described in subsection  
 16 (b)(1), ~~and (b)(2)~~, **and (b)(3)** in the fund derived from property tax  
 17 proceeds in excess of those described in subsection (b)(1), ~~and (b)(2)~~,  
 18 **and (b)(3)** from property located in the enterprise zone. The unit that  
 19 creates the special zone fund shall use the fund, based on the  
 20 recommendations of the urban enterprise association, for one (1) or  
 21 more of the following purposes:

22 (1) To pay for programs in job training, job enrichment, and basic  
 23 skill development designed to benefit residents and employers in  
 24 the enterprise zone. The programs must reserve at least one-half  
 25 (1/2) of the enrollment in any session for residents of the  
 26 enterprise zone.

27 (2) To make loans and grants for the purpose of stimulating  
 28 business activity in the enterprise zone or providing employment  
 29 for enterprise zone residents in an enterprise zone. These loans  
 30 and grants may be made to the following:

31 (A) Businesses operating in the enterprise zone.

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

34 (3) To provide funds to carry out other purposes specified in  
 35 subsection ~~(b)(3)~~ **(b)(4)**. However, where reference is made in  
 36 subsection ~~(b)(3)~~ **(b)(4)** to the allocation area, the reference refers,  
 37 for purposes of payments from the special zone fund, only to that  
 38 part of the allocation area that is also located in the enterprise  
 39 zone.

40 (h) The state board of accounts and department of local government  
 41 finance shall make the rules and prescribe the forms and procedures  
 42 that they consider expedient for the implementation of this chapter.



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

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

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

22 (2) Subject to subdivision (3), the initial allocation deadline and  
 23 subsequent allocation deadlines are automatically extended in  
 24 increments of five (5) years, so that allocation deadlines  
 25 subsequent to the initial allocation deadline fall on December 31,  
 26 2016, and December 31 of each fifth year thereafter.

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

30 (A) terminates the automatic extension of allocation deadlines  
 31 under subdivision (2); and

32 (B) specifically designates a particular date as the final  
 33 allocation deadline.

34 (j) If the commission adopts a declaratory resolution or an  
 35 amendment to a declaratory resolution that contains an allocation  
 36 provision and the commission makes either of the filings required  
 37 under section 10(e) of this chapter after the first anniversary of the  
 38 effective date of the allocation provision, the auditor of the county in  
 39 which the unit is located shall compute the base assessed value for the  
 40 allocation area using the assessment date immediately preceding the  
 41 later of:

42 (1) the date on which the documents are filed with the county



1 auditor; or  
 2 (2) the date on which the documents are filed with the department  
 3 of local government finance.  
 4 (k) For an allocation area established after June 30, 2024,  
 5 "residential property" refers to the assessed value of property that is  
 6 allocated to the one percent (1%) homestead land and improvement  
 7 categories in the county tax and billing software system, along with the  
 8 residential assessed value as defined for purposes of calculating the  
 9 rate for the local income tax property tax relief credit designated for  
 10 residential property under IC 6-3.6-5-6(d)(3).

11 **(l) This subsection applies to an allocation area established in**  
 12 **accordance with section 8 of this chapter before July 1, 2023. The**  
 13 **redevelopment commission is strongly encouraged to make**  
 14 **allocations to a school corporation in the manner described in**  
 15 **subsection (b)(2).**

16 SECTION 16. IC 36-7.5-4.5-18, AS ADDED BY P.L.248-2017,  
 17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2023]: Sec. 18. If a district is established, the following apply  
 19 to the administration and use of incremental property tax revenue by  
 20 the development authority, or a redevelopment commission in the case  
 21 of a district located in a cash participant county, in the district:

22 (1) The department of local government finance shall adjust the  
 23 base assessed value to neutralize any effect of a reassessment and  
 24 the annual adjustment of the real property in the district in the  
 25 same manner as provided in IC 36-7-14-39(h).

26 (2) Proceeds of the property taxes approved by the voters in a  
 27 referendum or local public question shall be allocated to and,  
 28 when collected, paid into the funds of the taxing unit for which  
 29 the referendum or local public question was conducted in the  
 30 same manner as provided in ~~IC 36-7-14-39(b)(2):~~  
 31 **IC 36-7-14-39(b)(3).**

32 (3) Incremental property tax revenue may be used only for one (1)  
 33 or more of the following purposes for a district:

34 (A) To finance the improvement, construction, reconstruction,  
 35 renovation, and acquisition of real and personal property  
 36 improvements within a district.

37 (B) To pay the principal of and interest on any obligations that  
 38 are incurred for the purpose of financing or refinancing  
 39 development in the district, including local public  
 40 improvements that are physically located in or physically  
 41 connected to the district.

42 (C) To establish, augment, or restore the debt service reserve



- 1 for bonds payable solely or in part from incremental property
- 2 tax revenue from the district.
- 3 (D) To pay premiums on the redemption before maturity of
- 4 bonds payable solely or in part from incremental property tax
- 5 revenue from the district.
- 6 (E) To make payments on leases payable from incremental
- 7 property tax revenue from the district.
- 8 (F) To reimburse a municipality in which a district is located
- 9 for expenditures made by the municipality for local public
- 10 improvements that are physically located in or physically
- 11 connected to the district.
- 12 (G) To reimburse a municipality for rentals paid by the
- 13 municipality for a building or parking facility that is physically
- 14 located in or physically connected to the district under any
- 15 lease entered into under IC 36-1-10.
- 16 (H) To pay expenses incurred by the development authority for
- 17 local public improvements that are in the district or serving the
- 18 district.

