



Reprinted  
February 23, 2023

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## HOUSE BILL No. 1085

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DIGEST OF HB 1085 (Updated February 22, 2023 3:14 pm - DI 116)

**Citations Affected:** IC 6-1.1; IC 20-26; IC 36-7; IC 36-7.5; IC 36-8.

**Synopsis:** Tax increment financing. Makes changes to the membership compositions of redevelopment commissions. Provides that the president and vice president of a redevelopment commission shall not have the same appointing authority. Requires a commission to provide an annual spending plan listing planned expenditures for the next calendar year. Provides that a commission may accelerate payments toward debt service obligations, in order to retire debt service earlier, regardless of whether that use is listed in the annual spending plan. Provides that a commission making accelerated debt payments may retain the assessed value associated with the original debt service schedule. Requires a commission to provide fund balances to the department of local government finance at the end of a calendar year. Provides that except for property tax proceeds transferred to a school corporation or public school, including a charter school, allocated property tax proceeds may be expended for projects located outside an allocation area only if the commission adopts a declaratory resolution that finds that the expenditures: (1) will directly benefit the allocation area; or (2) will result in the creation or retention of jobs in the private sector. Provides that specified amounts collected in an allocation area must be allocated to certain taxing units that provide police or fire  
(Continued next page)

**Effective:** Upon passage; January 1, 2023 (retroactive); July 1, 2023; January 1, 2024.

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### Cherry, Clere, Pryor

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January 9, 2023, read first time and referred to Committee on Ways and Means.  
February 14, 2023, amended, reported — Do Pass.  
February 16, 2023, read second time, amended, ordered engrossed.  
February 17, 2023, engrossed.  
February 21, 2023, returned to second reading.  
February 22, 2023, re-read second time, amended, ordered engrossed.

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HB 1085—LS 6819/DI 116



## Digest Continued

services in the allocation area and specifies the manner in which those allocation calculations are to be made. Provides that the amount of assessed value in excess of the 200% required to make principal and interest payments on bonds may be used for non-debt, one time purposes within a calendar year before allocating the balance of the excess assessed value to the respective taxing units. Provides that the expiration date of an allocation area may not be extended. Provides that a commission may, pursuant to the approval of the local legislative body, create an account for a specific infrastructure purpose. Provides that for a bond issuance related exclusively for infrastructure in an allocation area, new bonds may only be issued by an existing commission between July 1, 2023, and January 1, 2025. Provides that, for 2023, an ordinance or resolution to establish or expand a fire protection territory is adopted after the legislative body holds at least three public hearings to receive public comment on the proposed ordinance or resolution in which: (1) at least one public hearing must be held at least 25 days before the legislative body votes on the adoption of the ordinance or resolution; and (2) at least two additional public hearings must be held not later than five days before the legislative body votes on the adoption of the ordinance or resolution. Provides that the excess of the proceeds of the property taxes attributable to an increase in the property tax rate for a participating unit of a fire protection territory that is established after the establishment of a tax increment financing area located outside of Marion County shall be allocated to and distributed in the form of an assessed value pass back to the participating unit of the fire protection territory and not to the redevelopment district.

**HB 1085—LS 6819/DI 116**



Reprinted  
February 23, 2023

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

HB 1085—LS 6819/DI 116



1, 2023]: **Sec. 43. A school corporation that receives a distribution under IC 36-7-14-39(l) or IC 36-7-15.1-53(m) may use the proceeds only to supplement other funding received by the school corporation for career and technical education.**

SECTION 3. IC 36-7-14-3, AS AMENDED BY P.L.149-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of ~~five (5)~~ **four (4)** members to be known as "\_\_\_\_\_ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of ~~seven (7)~~ **six (6)** members.

(b) A redevelopment commission and a department of redevelopment are subject to oversight by the legislative body of the unit, including a review by the legislative body of the commission's and department's annual budget. A redevelopment commission and a department of redevelopment are:

- (1) subject to audit by the state board of accounts under IC 5-11;
- (2) covered by IC 5-14-1.5 (the public meetings law); and
- (3) covered by IC 5-14-3 (the public records law).

(c) Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

(d) All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

SECTION 4. IC 36-7-14-6.1, AS AMENDED BY P.L.55-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 6.1. (a) The ~~five (5)~~ **four (4)** commissioners for a municipal redevelopment commission shall be appointed as follows:

- (1) ~~Three (3)~~ **Two (2)** shall be appointed by the municipal executive.
- (2) Two (2) shall be appointed by the municipal legislative body.

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

(b) The commissioners for a county redevelopment commission that



- 1 has ~~five (5)~~ **four (4)** members shall be appointed as follows:
- 2 (1) The county executive shall appoint all the members whose
- 3 terms of office begin before January 1, 2008.
- 4 (2) For terms of office beginning after December 31, 2007, the
- 5 county executive shall appoint ~~three (3)~~ **two (2)** members, and the
- 6 county fiscal body shall appoint two (2) members.
- 7 The county executive shall also appoint an individual to serve as a
- 8 nonvoting adviser to the redevelopment commission beginning July 1,
- 9 2008.
- 10 (c) The commissioners for a county redevelopment commission that
- 11 has ~~seven (7)~~ **six (6)** members shall be appointed as follows:
- 12 (1) The county executive shall appoint all the members whose
- 13 terms of office begin before January 1, 2008.
- 14 (2) For terms of office beginning after December 31, 2007, the
- 15 county executive shall appoint ~~four (4)~~ **three (3)** members, and
- 16 the county fiscal body shall appoint three (3) members.
- 17 The county executive shall also appoint an individual to serve as a
- 18 nonvoting adviser to the redevelopment commission beginning July 1,
- 19 2008.
- 20 (d) A nonvoting adviser appointed under this section:
- 21 (1) must also be a member of the school board of a school
- 22 corporation that includes all or part of the territory served by the
- 23 redevelopment commission or an individual recommended by the
- 24 school board to the entity that appoints the nonvoting adviser;
- 25 (2) is not considered a member of the redevelopment commission
- 26 for purposes of this chapter but is entitled to attend and
- 27 participate in the proceedings of all meetings of the
- 28 redevelopment commission;
- 29 (3) is not entitled to a salary, per diem, or reimbursement of
- 30 expenses;
- 31 (4) serves for a term of two (2) years and until a successor is
- 32 appointed; and
- 33 (5) serves at the pleasure of the entity that appointed the
- 34 nonvoting adviser.
- 35 SECTION 5. IC 36-7-14-8, AS AMENDED BY P.L.85-2017,
- 36 SECTION 121, IS AMENDED TO READ AS FOLLOWS
- 37 [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) The redevelopment
- 38 commissioners shall hold a meeting for the purpose of organization not
- 39 later than thirty (30) days after they are appointed and, after that, each
- 40 year on a day that is not a Saturday, a Sunday, or a legal holiday and
- 41 that is their first meeting day of the year. They shall choose one (1) of
- 42 their members as president, another as vice president, and another as



1 secretary. **The president and vice president shall not have the same**  
2 **appointing authority.** These officers shall perform the duties usually  
3 pertaining to their offices and shall serve from the date of their election  
4 until their successors are elected and qualified.

5 (b) The fiscal officer of the unit establishing a redevelopment  
6 commission is the treasurer of the redevelopment commission.  
7 Notwithstanding any other provision of this chapter, but subject to  
8 subsection (c), the treasurer has charge over and is responsible for the  
9 administration, investment, and disbursement of all funds and accounts  
10 of the redevelopment commission in accordance with the requirements  
11 of state laws that apply to other funds and accounts administered by the  
12 fiscal officer. The treasurer shall report annually to the redevelopment  
13 commission before April 1.

14 (c) The treasurer of the redevelopment commission may disburse  
15 funds of the redevelopment commission only after the redevelopment  
16 commission allows and approves the disbursement. However, the  
17 redevelopment commission may, by rule or resolution, authorize the  
18 treasurer to make certain types of disbursements before the  
19 redevelopment commission's allowance and approval at its next regular  
20 meeting.

21 (d) The following apply to funds of the redevelopment commission:

22 (1) The funds must be accounted for separately by the unit  
23 establishing the redevelopment commission and the daily balance  
24 of the funds must be maintained in a separate ledger statement.

25 (2) Except as provided in subsection (e), all funds designated as  
26 redevelopment commission funds must be accessible to the  
27 redevelopment commission at any time.

28 (3) The amount of the daily balance of redevelopment  
29 commission funds may not be below zero (0) at any time.

30 (4) The funds may not be maintained or used in a manner that is  
31 intended to avoid the waiver procedures and requirements for a  
32 unit and the redevelopment commission under subsection (e).

33 (e) If the fiscal body of a unit determines that it is necessary to  
34 engage in short term borrowing until the next tax collection period, the  
35 fiscal body of the unit may request approval from the redevelopment  
36 commission to waive the requirement in subsection (d)(2). In order to  
37 waive the requirement under subsection (d)(2), the fiscal body of the  
38 unit and the redevelopment commission must adopt similar resolutions  
39 that set forth:

40 (1) the amount of the funds designated as redevelopment  
41 commission funds that are no longer accessible to the  
42 redevelopment commission under the waiver; and



- 1 (2) an expiration date for the waiver.  
 2 If a loan is made to a unit from funds designated as redevelopment  
 3 funds, the loan must be repaid by the unit and the funds made  
 4 accessible to the redevelopment commission not later than the end of  
 5 the calendar year in which the funds are received by the unit.
- 6 (f) Subsections (d) and (e) do not restrict transfers or uses by a  
 7 redevelopment commission made to meet commitments under a written  
 8 agreement of the redevelopment commission that was entered into  
 9 before January 1, 2016, if the written agreement complied with the  
 10 requirements existing under the law at the time the redevelopment  
 11 commission entered into the written agreement.
- 12 (g) The redevelopment commissioners may adopt the rules and  
 13 bylaws they consider necessary for the proper conduct of their  
 14 proceedings, the carrying out of their duties, and the safeguarding of  
 15 the money and property placed in their custody by this chapter. In  
 16 addition to the annual meeting, the commissioners may, by resolution  
 17 or in accordance with their rules and bylaws, prescribe the date and  
 18 manner of notice of other regular or special meetings.
- 19 (h) This subsection does not apply to a county redevelopment  
 20 commission that consists of ~~seven (7)~~ **six (6)** members. Three (3) of the  
 21 redevelopment commissioners constitute a quorum, and the  
 22 concurrence of three (3) commissioners is necessary to authorize any  
 23 action.
- 24 (i) This subsection applies only to a county redevelopment  
 25 commission that consists of ~~seven (7)~~ **six (6)** members. Four (4) of the  
 26 redevelopment commissioners constitute a quorum, and the  
 27 concurrence of four (4) commissioners is necessary to authorize any  
 28 action.
- 29 SECTION 6. IC 36-7-14-12.7 IS ADDED TO THE INDIANA  
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2023]: **Sec. 12.7. (a) Not later than December**  
 32 **1 each year, the redevelopment commissioners shall file with the**  
 33 **department of local government finance and with the unit's**  
 34 **executive and fiscal body a report setting out a spending plan for**  
 35 **the next calendar year describing planned expenditures.**
- 36 (b) Except as provided in subsection (c), a redevelopment  
 37 commission may use money from the redevelopment commission's  
 38 allocation fund described in section 39(b)(5) of this chapter and  
 39 any other fund maintained by the redevelopment commission only  
 40 for the purposes provided in the annual spending plan described in  
 41 subsection (a).
- 42 (c) A redevelopment commission may use money from funds



1 described in subsection (b) for the purpose of paying more toward  
 2 debt service obligations, in order to retire debt service earlier,  
 3 regardless of whether that use is listed in the annual spending plan  
 4 described in subsection (a). A redevelopment commission making  
 5 accelerated debt payments under this subsection may retain the  
 6 assessed value associated with the original debt service schedule.

7 (d) Early debt retirement described under subsection (c) applies  
 8 only if the early defeasance of debt is allowed according to the  
 9 bond issuance documents.

10 SECTION 7. IC 36-7-14-13.5 IS ADDED TO THE INDIANA  
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 12 [EFFECTIVE JULY 1, 2023]: Sec. 13.5. (a) Not later than December  
 13 31 of each year, the redevelopment commissioners shall provide the  
 14 balance of:

15 (1) the allocation fund described in section 39(b)(5) of this  
 16 chapter; and

17 (2) any other funds maintained by the redevelopment  
 18 commission;

19 to the department of local government finance.

20 (b) The department of local government finance shall post fund  
 21 balances received under subsection (a) on the Indiana  
 22 transparency website within ninety (90) days of the receipt of the  
 23 fund balances.

24 (c) Not later than February of each year, the department of local  
 25 government finance shall compile the information received from  
 26 each redevelopment commission under subsection (a) and provide  
 27 the information to the interim study committee on fiscal policy  
 28 established by IC 2-5-1.3-4.

29 (d) This section expires July 1, 2028.

30 SECTION 8. IC 36-7-14-15.5, AS AMENDED BY P.L.104-2022,  
 31 SECTION 187, IS AMENDED TO READ AS FOLLOWS  
 32 [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 15.5. (a)  
 33 This section applies to a county having a population of more than two  
 34 hundred fifty thousand (250,000) and less than three hundred thousand  
 35 (300,000).

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

42 (1) One (1) or more taxpayers presently located within the





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



1 additional area located within a city or town.  
 2 In granting its consent, the legislative body shall approve the plan of  
 3 development or redevelopment relating to the additional area.

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

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

19 SECTION 9. IC 36-7-14-25.1, AS AMENDED BY P.L.257-2019,  
 20 SECTION 117, IS AMENDED TO READ AS FOLLOWS  
 21 [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 25.1. (a)  
 22 In addition to other methods of raising money for property acquisition  
 23 or redevelopment in a redevelopment project area, and in anticipation  
 24 of the special tax to be levied under section 27 of this chapter, the taxes  
 25 allocated under section 39 of this chapter, or other revenues of the  
 26 district, or any combination of these sources, the redevelopment  
 27 commission may, by bond resolution and subject to subsections (c) and  
 28 (p), issue the bonds of the special taxing district in the name of the unit.  
 29 The amount of the bonds may not exceed the total, as estimated by the  
 30 commission, of all expenses reasonably incurred in connection with the  
 31 acquisition and redevelopment of the property, including:

- 32 (1) the total cost of all land, rights-of-way, and other property to  
 33 be acquired and redeveloped;  
 34 (2) all reasonable and necessary architectural, engineering, legal,  
 35 financing, accounting, advertising, bond discount, and  
 36 supervisory expenses related to the acquisition and redevelopment  
 37 of the property or the issuance of bonds;  
 38 (3) capitalized interest permitted by this chapter and a debt  
 39 service reserve for the bonds to the extent the redevelopment  
 40 commission determines that a reserve is reasonably required; and  
 41 (4) expenses that the redevelopment commission is required or  
 42 permitted to pay under IC 8-23-17.



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

6 (c) The legislative body of the unit must adopt a resolution that  
 7 specifies the public purpose of the bond, the use of the bond proceeds,  
 8 the maximum principal amount of the bond, the term of the bond, and  
 9 the maximum interest rate or rates of the bond, any provision for  
 10 redemption before maturity, and any provision for the payment of  
 11 capitalized interest. The bonds must be dated as set forth in the bond  
 12 resolution and negotiable, subject to the requirements of the bond  
 13 resolution for registering the bonds. The resolution authorizing the  
 14 bonds must state:

- 15 (1) the denominations of the bonds;  
 16 (2) the place or places at which the bonds are payable; and  
 17 (3) the term of the bonds, which may not exceed:  
 18 (A) fifty (50) years, for bonds issued before July 1, 2008;  
 19 (B) thirty (30) years, for bonds issued after June 30, 2008, to  
 20 finance:  
 21 (i) an integrated coal gasification powerplant (as defined in  
 22 IC 6-3.1-29-6);  
 23 (ii) a part of an integrated coal gasification powerplant (as  
 24 defined in IC 6-3.1-29-6); or  
 25 (iii) property used in the operation or maintenance of an  
 26 integrated coal gasification powerplant (as defined in  
 27 IC 6-3.1-29-6);  
 28 that received a certificate of public convenience and necessity  
 29 from the Indiana utility regulatory commission under  
 30 IC 8-1-8.5 et seq. before July 1, 2008;  
 31 (C) thirty-five (35) years, for bonds issued after June 30, 2019,  
 32 to finance a project that is located in a redevelopment project  
 33 area, an economic development area, or an urban renewal  
 34 project area and that includes, as part of the project, the use  
 35 and repurposing of two (2) or more buildings and structures  
 36 that are:  
 37 (i) at least seventy-five (75) years old; and  
 38 (ii) located at a site at which manufacturing previously  
 39 occurred over a period of at least seventy-five (75) years; or  
 40 (D) twenty-five (25) years, for bonds issued after June 30,  
 41 2008, that are not described in clause (B) or (C).

42 The bond resolution may also state that the bonds are redeemable



1 before maturity with or without a premium, as determined by the  
2 redevelopment commission.

3 (d) The redevelopment commission shall certify a copy of the  
4 resolution authorizing the bonds to the municipal or county fiscal  
5 officer, who shall then prepare the bonds, subject to subsections (c) and  
6 (p). The seal of the unit must be impressed on the bonds, or a facsimile  
7 of the seal must be printed on the bonds.

8 (e) The bonds must be executed by the appropriate officer of the  
9 unit and attested by the municipal or county fiscal officer.

10 (f) The bonds are exempt from taxation for all purposes.

11 (g) The municipal or county fiscal officer shall give notice of the  
12 sale of the bonds by publication in accordance with IC 5-3-1. The  
13 municipal fiscal officer, or county fiscal officer or executive, shall sell  
14 the bonds to the highest bidder, but may not sell them for less than  
15 ninety-seven percent (97%) of their par value. However, bonds payable  
16 solely or in part from tax proceeds allocated under section ~~39(b)(3)~~  
17 **39(b)(5)** of this chapter, or other revenues of the district may be sold  
18 at a private negotiated sale.

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

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

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

29 (2) from the tax proceeds allocated under section ~~39(b)(3)~~  
30 **39(b)(5)** of this chapter;

31 (3) from other revenues available to the redevelopment  
32 commission; or

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

35 If the bonds are payable solely from the tax proceeds allocated under  
36 section ~~39(b)(3)~~ **39(b)(5)** of this chapter, other revenues of the  
37 redevelopment commission, or any combination of these sources, they  
38 may be issued in any amount not to exceed the maximum amount  
39 approved by the legislative body in the resolution described in  
40 subsection (c).

41 (j) Proceeds from the sale of bonds may be used to pay the cost of  
42 interest on the bonds for a period not to exceed five (5) years from the



- 1 date of issuance.
- 2 (k) All laws relating to the giving of notice of the issuance of bonds,  
3 the giving of notice of a hearing on the appropriation of the proceeds  
4 of the bonds, the right of taxpayers to appear and be heard on the  
5 proposed appropriation, and the approval of the appropriation by the  
6 department of local government finance apply to all bonds issued under  
7 this chapter that are payable from the special benefits tax levied  
8 pursuant to section 27 of this chapter or from taxes allocated under  
9 section 39 of this chapter.
- 10 (l) All laws relating to:
- 11 (1) the filing of petitions requesting the issuance of bonds; and  
12 (2) the right of:
- 13 (A) taxpayers and voters to remonstrate against the issuance of  
14 bonds in the case of a proposed bond issue described by  
15 IC 6-1.1-20-3.1(a); or  
16 (B) voters to vote on the issuance of bonds in the case of a  
17 proposed bond issue described by IC 6-1.1-20-3.5(a);  
18 apply to bonds issued under this chapter except for bonds payable  
19 solely from tax proceeds allocated under section ~~39(b)(3)~~ **39(b)(5)** of  
20 this chapter, other revenues of the redevelopment commission, or any  
21 combination of these sources.
- 22 (m) If a debt service reserve is created from the proceeds of bonds,  
23 the debt service reserve may be used to pay principal and interest on  
24 the bonds as provided in the bond resolution.
- 25 (n) Any amount remaining in the debt service reserve after all of the  
26 bonds of the issue for which the debt service reserve was established  
27 have matured shall be:
- 28 (1) deposited in the allocation fund established under section  
29 ~~39(b)(3)~~ **39(b)(5)** of this chapter; and  
30 (2) to the extent permitted by law, transferred to the county or  
31 municipality that established the department of redevelopment for  
32 use in reducing the county's or municipality's property tax levies  
33 for debt service.
- 34 (o) If bonds are issued under this chapter that are payable solely or  
35 in part from revenues to the redevelopment commission from a project  
36 or projects, the redevelopment commission may adopt a resolution or  
37 trust indenture or enter into covenants as is customary in the issuance  
38 of revenue bonds. The resolution or trust indenture may pledge or  
39 assign the revenues from the project or projects, but may not convey or  
40 mortgage any project or parts of a project. The resolution or trust  
41 indenture may also contain any provisions for protecting and enforcing  
42 the rights and remedies of the bond owners as may be reasonable and



1 proper and not in violation of law, including covenants setting forth the  
 2 duties of the redevelopment commission. The redevelopment  
 3 commission may establish fees and charges for the use of any project  
 4 and covenant with the owners of any bonds to set those fees and  
 5 charges at a rate sufficient to protect the interest of the owners of the  
 6 bonds. Any revenue bonds issued by the redevelopment commission  
 7 that are payable solely from revenues of the commission shall contain  
 8 a statement to that effect in the form of bond.

9 (p) If the total principal amount of bonds authorized by a resolution  
 10 of the redevelopment commission adopted before July 1, 2008, is equal  
 11 to or greater than three million dollars (\$3,000,000), the bonds may not  
 12 be issued without the approval, by resolution, of the legislative body of  
 13 the unit. Bonds authorized in any principal amount by a resolution of  
 14 the redevelopment commission adopted after June 30, 2008, may not  
 15 be issued without the approval of the legislative body of the unit.

16 SECTION 10. IC 36-7-14-26, AS AMENDED BY P.L.203-2011,  
 17 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 26. (a) All proceeds from  
 19 the sale of bonds under section 25.1 of this chapter shall be kept as a  
 20 separate and specific fund to pay the expenses incurred in connection  
 21 with the acquisition and redevelopment of property. The fund shall be  
 22 known as the redevelopment district capital fund. Any surplus of funds  
 23 remaining after all expenses are paid shall be paid into and become a  
 24 part of the redevelopment district bond fund established under section  
 25 27 of this chapter.

26 (b) All gifts or donations that are given or paid to the department of  
 27 redevelopment or to the unit for redevelopment purposes shall be  
 28 promptly deposited to the credit of the redevelopment district capital  
 29 fund. The redevelopment commission may use these gifts and  
 30 donations for the purposes of this chapter.

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

36 (d) A redevelopment commission shall deposit in the allocation fund  
 37 established under section ~~39(b)(3)~~ **39(b)(5)** of this chapter of an  
 38 allocation area the proceeds from the sale or leasing of property in the  
 39 area under section 22 of this chapter if:

- 40 (1) there are outstanding bonds that were issued to pay costs of  
 41 redevelopment in the allocation area; and  
 42 (2) the bonds are payable solely or in part from tax proceeds



1 allocated under section ~~39(b)(3)~~ **39(b)(5)** of this chapter.  
 2 SECTION 11. IC 36-7-14-27, AS AMENDED BY P.L.149-2014,  
 3 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 27. (a) This section  
 5 applies only to:  
 6 (1) bonds that are issued under section 25.1 of this chapter; and  
 7 (2) leases entered into under section 25.2 of this chapter;  
 8 which are payable from a special tax levied upon all of the property in  
 9 the special taxing district. This section does not apply to bonds or  
 10 leases that are payable solely from tax proceeds allocated under section  
 11 ~~39(b)(3)~~ **39(b)(5)** of this chapter, other revenues of the redevelopment  
 12 commission, or any combination of these sources.  
 13 (b) The redevelopment commission, with the prior approval of the  
 14 legislative body, shall levy each year a special tax on all of the property  
 15 of the redevelopment taxing district, in such a manner as to meet and  
 16 pay the principal of the bonds as they mature, together with all accruing  
 17 interest on the bonds or lease rental payments under section 25.2 of this  
 18 chapter. The commission shall cause the tax levied to be certified to the  
 19 proper officers as other tax levies are certified, and to the auditor of the  
 20 county in which the redevelopment district is located, before the  
 21 second day of October in each year. The tax shall be estimated and  
 22 entered on the tax duplicate by the county auditor and shall be collected  
 23 and enforced by the county treasurer in the same manner as other state  
 24 and county taxes are estimated, entered, collected, and enforced. The  
 25 amount of the tax levied to pay bonds or lease rentals payable from the  
 26 tax levied under this section shall be reduced by any amount available  
 27 in the allocation fund established under section ~~39(b)(3)~~ **39(b)(5)** of  
 28 this chapter or other revenues of the redevelopment commission to the  
 29 extent such revenues have been set aside in the redevelopment bond  
 30 fund.  
 31 (c) As the tax is collected, it shall be accumulated in a separate fund  
 32 to be known as the redevelopment district bond fund and shall be  
 33 applied to the payment of the bonds as they mature and the interest on  
 34 the bonds as it accrues, or to make lease payments and to no other  
 35 purpose. All accumulations of the fund before their use for the payment  
 36 of bonds and interest or to make lease payments shall be deposited with  
 37 the depository or depositories for other public funds of the unit in  
 38 accordance with IC 5-13, unless they are invested under IC 5-13-9.  
 39 (d) If there are no outstanding bonds that are payable solely or in  
 40 part from tax proceeds allocated under section ~~39(b)(3)~~ **39(b)(5)** of this  
 41 chapter and that were issued to pay costs of redevelopment in an  
 42 allocation area that is located wholly or in part in the special taxing



1 district, then all proceeds from the sale or leasing of property in the  
 2 allocation area under section 22 of this chapter shall be paid into the  
 3 redevelopment district bond fund and become a part of that fund. In  
 4 arriving at the tax levy for any year, the redevelopment commission  
 5 shall take into account the amount of the proceeds deposited under this  
 6 subsection and remaining on hand.

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

12 SECTION 12. IC 36-7-14-29.6 IS ADDED TO THE INDIANA  
 13 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 14 [EFFECTIVE UPON PASSAGE]: **Sec. 29.6. (a) Except as provided**  
 15 **in subsection (b), property tax proceeds allocated under this**  
 16 **chapter that are otherwise authorized under this chapter to be**  
 17 **expended for purposes related to a redevelopment project that is**  
 18 **located outside the boundaries of the allocation area may be**  
 19 **expended for those purposes only if the redevelopment commission**  
 20 **immediately at the conclusion of the public hearing required under**  
 21 **section 17 of this chapter adopts a declaratory resolution, and the**  
 22 **applicable legislative body votes to approve the declaratory**  
 23 **resolution, that finds that it has been clearly demonstrated that the**  
 24 **expenditure:**

- 25 (1) will directly benefit the allocation area; or  
 26 (2) will result in the creation or retention of jobs in the private  
 27 sector and provide an estimate of how many jobs will be  
 28 created or retained over a specified time period.

29 (b) This section does not apply to any transfer of property tax  
 30 proceeds to a school corporation, an accredited or nonaccredited  
 31 public or private school, or a charter school, including a transfer  
 32 of property tax proceeds for a program under IC 36-7-25-7.

33 SECTION 13. IC 36-7-14-39, AS AMENDED BY P.L.174-2022,  
 34 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 39. (a) As used in this  
 36 section:

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

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





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



1 area added after June 30, 1995.

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

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

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



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

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

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

25 or

26 (B) the base assessed value;

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

29 **(2) This subdivision applies to an allocation area established**  
 30 **by a county in accordance with section 15 of this chapter after**  
 31 **June 30, 2023. The amount determined under the following**  
 32 **calculation shall be distributed for police or fire services:**

33 **STEP ONE: Determine the amount, if any, of the assessed**  
 34 **value of the taxable property in the allocation area for the**  
 35 **most recent assessment date minus the base assessed value.**

36 **STEP TWO: Multiply the amount determined under STEP**  
 37 **ONE by the county unit's total nonreferendum tax rate per**  
 38 **one hundred dollars (\$100) of assessed value.**

39 **STEP THREE: Multiply the STEP TWO product by five**  
 40 **percent (5%).**

41 **The amount determined under STEP THREE of this**  
 42 **subdivision shall be allocated to and, when collected, paid to**



1 each county taxing unit that provides police or fire services in  
 2 the allocation area to be used for operating or capital  
 3 expenditures required for providing police and fire services  
 4 in the allocation area.

5 (3) This subdivision applies to a fire protection territory  
 6 established after December 31, 2022. If a unit becomes a  
 7 participating unit of a fire protection territory that is  
 8 established after a declaratory resolution is adopted under  
 9 section 15 of this chapter, the excess of the proceeds of the  
 10 property taxes attributable to an increase in the property tax  
 11 rate for the participating unit of a fire protection territory:

12 (A) except as otherwise provided by this subdivision, shall  
 13 be determined as follows:

14 STEP ONE: Divide the unit's tax rate for fire protection  
 15 for the year before the establishment of the fire  
 16 protection territory by the participating unit's tax rate  
 17 as part of the fire protection territory.

18 STEP TWO: Subtract the STEP ONE amount from one  
 19 (1).

20 STEP THREE: Multiply the STEP TWO amount by the  
 21 allocated property tax attributable to the participating  
 22 unit of the fire protection territory; and

23 (B) to the extent not otherwise included in subdivisions (1),  
 24 (2), and (4), shall be allocated to and distributed in the  
 25 form of an assessed value pass back to the participating  
 26 unit of the fire protection territory for the assessment date  
 27 with respect to which the allocation is made.

28 However, if the redevelopment commission determines that it  
 29 is unable to meet its debt service obligations with regards to  
 30 the allocation area without all or part of the assessed value  
 31 pass back to the participating unit of a fire protection area  
 32 under this subdivision, then the assessed value pass back  
 33 under this subdivision shall be reduced by the amount  
 34 necessary for the redevelopment commission to meet its debt  
 35 service obligations of the allocation area.

36 ~~(2)~~ (4) The excess of the proceeds of the property taxes imposed  
 37 for the assessment date with respect to which the allocation and  
 38 distribution is made that are attributable to taxes imposed after  
 39 being approved by the voters in a referendum or local public  
 40 question conducted after April 30, 2010, not otherwise included  
 41 in subdivision ~~(1)~~ subdivisions (1), (2), and (3) shall be allocated  
 42 to and, when collected, paid into the funds of the taxing unit for



1 which the referendum or local public question was conducted.  
 2 ~~(3)~~ (5) Except as otherwise provided in this section, property tax  
 3 proceeds in excess of those described in subdivisions (1), (2), (3),  
 4 and ~~(2)~~ (4) shall be allocated to the redevelopment district and,  
 5 when collected, paid into an allocation fund for that allocation  
 6 area that may be used by the redevelopment district only to do one  
 7 (1) or more of the following:  
 8 (A) Pay the principal of and interest on any obligations  
 9 payable solely from allocated tax proceeds which are incurred  
 10 by the redevelopment district for the purpose of financing or  
 11 refinancing the redevelopment of that allocation area.  
 12 (B) Establish, augment, or restore the debt service reserve for  
 13 bonds payable solely or in part from allocated tax proceeds in  
 14 that allocation area.  
 15 (C) Pay the principal of and interest on bonds payable from  
 16 allocated tax proceeds in that allocation area and from the  
 17 special tax levied under section 27 of this chapter.  
 18 (D) Pay the principal of and interest on bonds issued by the  
 19 unit to pay for local public improvements that are physically  
 20 located in or physically connected to that allocation area.  
 21 (E) Pay premiums on the redemption before maturity of bonds  
 22 payable solely or in part from allocated tax proceeds in that  
 23 allocation area.  
 24 (F) Make payments on leases payable from allocated tax  
 25 proceeds in that allocation area under section 25.2 of this  
 26 chapter.  
 27 (G) Reimburse the unit for expenditures made by it for local  
 28 public improvements (which include buildings, parking  
 29 facilities, and other items described in section 25.1(a) of this  
 30 chapter) that are physically located in or physically connected  
 31 to that allocation area.  
 32 (H) Reimburse the unit for rentals paid by it for a building or  
 33 parking facility that is physically located in or physically  
 34 connected to that allocation area under any lease entered into  
 35 under IC 36-1-10.  
 36 (I) For property taxes first due and payable before January 1,  
 37 2009, pay all or a part of a property tax replacement credit to  
 38 taxpayers in an allocation area as determined by the  
 39 redevelopment commission. This credit equals the amount  
 40 determined under the following STEPS for each taxpayer in a  
 41 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
 42 part of the allocation area:



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

6 STEP TWO: Divide:  
 7 (i) that part of each county's eligible property tax  
 8 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 9 repeal)) for that year as determined under IC 6-1.1-21-4  
 10 (before its repeal) that is attributable to the taxing district;  
 11 by  
 12 (ii) the STEP ONE sum.

13 STEP THREE: Multiply:  
 14 (i) the STEP TWO quotient; times  
 15 (ii) the total amount of the taxpayer's taxes (as defined in  
 16 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 17 that have been allocated during that year to an allocation  
 18 fund under this section.

19 If not all the taxpayers in an allocation area receive the credit  
 20 in full, each taxpayer in the allocation area is entitled to  
 21 receive the same proportion of the credit. A taxpayer may not  
 22 receive a credit under this section and a credit under section  
 23 39.5 of this chapter (before its repeal) in the same year.

24 (J) Pay expenses incurred by the redevelopment commission  
 25 for local public improvements that are in the allocation area or  
 26 serving the allocation area. Public improvements include  
 27 buildings, parking facilities, and other items described in  
 28 section 25.1(a) of this chapter.

29 (K) Reimburse public and private entities for expenses  
 30 incurred in training employees of industrial facilities that are  
 31 located:

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

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



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

8 (i) Make, when due, any payments required under clauses  
 9 (A) through (K), including any payments of principal and  
 10 interest on bonds and other obligations payable under this  
 11 subdivision, any payments of premiums under this  
 12 subdivision on the redemption before maturity of bonds, and  
 13 any payments on leases payable under this subdivision.

14 (ii) Make any reimbursements required under this  
 15 subdivision.

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

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

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

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

23 ~~(4)~~ **(6)** Except as provided in subsection (g), before June 15 of  
 24 each year, the commission shall do the following:

25 (A) Determine the amount, if any, by which the assessed value  
 26 of the taxable property in the allocation area for the most  
 27 recent assessment date minus the base assessed value, when  
 28 multiplied by the estimated tax rate of the allocation area, will  
 29 exceed the amount of assessed value needed to produce the  
 30 property taxes necessary to make, when due, principal and  
 31 interest payments on bonds described in subdivision ~~(3)~~, **(5)**,  
 32 plus the amount necessary for other purposes described in  
 33 subdivision ~~(3)~~. **(5)**.

34 (B) Provide a written notice to the county auditor, the fiscal  
 35 body of the county or municipality that established the  
 36 department of redevelopment, and the officers who are  
 37 authorized to fix budgets, tax rates, and tax levies under  
 38 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 39 or partly located within the allocation area. The county auditor,  
 40 upon receiving the notice, shall forward this notice (in an  
 41 electronic format) to the department of local government  
 42 finance not later than June 15 of each year. The notice must:



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

5 (ii) 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  
 9 the amount, if any, of excess assessed value determined by the  
 10 commission. The commission may not authorize an allocation  
 11 of assessed value to the respective taxing units under this  
 12 subdivision if to do so would endanger the interests of the  
 13 holders of bonds described in subdivision ~~(3)~~ (5) or lessors  
 14 under section 25.3 of this chapter.

15 (C) If:

16 (i) the amount of excess assessed value determined by the  
 17 commission is expected to generate more than two hundred  
 18 percent (200%) of the amount of allocated tax proceeds  
 19 necessary to make, when due, principal and interest  
 20 payments on bonds described in subdivision ~~(3)~~; (5); plus

21 (ii) the amount necessary for other purposes described in  
 22 subdivision ~~(3)~~; (5);

23 the commission shall submit to the legislative body of the unit  
 24 its determination of the excess assessed value that the  
 25 commission proposes to ~~allocate to the respective taxing units~~  
 26 **use for non-debt, one (1) time purposes within the calendar**  
 27 **year before allocating the balance of the excess assessed**  
 28 **value to the respective taxing units in the manner**  
 29 **prescribed in subdivision (1).** ~~in the manner prescribed in~~  
 30 ~~subdivision (1)~~: The legislative body of the unit may approve  
 31 the commission's determination or modify the amount of the  
 32 excess assessed value that will be allocated to the respective  
 33 taxing units in the manner prescribed in subdivision (1).

34 ~~(5)~~ (7) Notwithstanding subdivision ~~(4)~~; (6), in the case of an  
 35 allocation area that is established after June 30, 2019, and that is  
 36 located in a redevelopment project area described in section  
 37 25.1(c)(3)(C) of this chapter, an economic development area  
 38 described in section 25.1(c)(3)(C) of this chapter, or an urban  
 39 renewal project area described in section 25.1(c)(3)(C) of this  
 40 chapter, for each year the allocation provision is in effect, if the  
 41 amount of excess assessed value determined by the commission  
 42 under subdivision ~~(4)(A)~~ (6)(A) is expected to generate more than





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



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

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

- 39 (1) may not include the effect of phasing in assessed value due to
- 40 property tax abatements under IC 6-1.1-12.1;
- 41 (2) may not produce less property tax proceeds allocable to the
- 42 redevelopment district under subsection ~~(b)(3)~~ **(b)(5)** than would



1 otherwise have been received if the reassessment under the  
 2 reassessment plan or the annual adjustment had not occurred; and  
 3 (3) may decrease base assessed value only to the extent that  
 4 assessed values in the allocation area have been decreased due to  
 5 annual adjustments or the reassessment under the reassessment  
 6 plan.

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

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

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

15 (2) Subject to subdivision (3), the initial allocation deadline and  
 16 subsequent allocation deadlines are automatically extended in  
 17 increments of five (5) years, so that allocation deadlines  
 18 subsequent to the initial allocation deadline fall on December 31,  
 19 2016, and December 31 of each fifth year thereafter.

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

23 (A) terminates the automatic extension of allocation deadlines  
 24 under subdivision (2); and

25 (B) specifically designates a particular date as the final  
 26 allocation deadline.

27 (j) If a redevelopment commission adopts a declaratory resolution  
 28 or an amendment to a declaratory resolution that contains an allocation  
 29 provision and the redevelopment commission makes either of the  
 30 filings required under section 17(e) of this chapter after the first  
 31 anniversary of the effective date of the allocation provision, the auditor  
 32 of the county in which the unit is located shall compute the base  
 33 assessed value for the allocation area using the assessment date  
 34 immediately preceding the later of:

35 (1) the date on which the documents are filed with the county  
 36 auditor; or

37 (2) the date on which the documents are filed with the department  
 38 of local government finance.

39 (k) For an allocation area established after June 30, 2024,  
 40 "residential property" refers to the assessed value of property that is  
 41 allocated to the one percent (1%) homestead land and improvement  
 42 categories in the county tax and billing software system, along with the



1 residential assessed value as defined for purposes of calculating the  
 2 rate for the local income tax property tax relief credit designated for  
 3 residential property under IC 6-3.6-5-6(d)(3).

4 **(l) This subsection applies to an allocation area established in**  
 5 **accordance with section 15 of this chapter before July 1, 2023. The**  
 6 **redevelopment commission is strongly encouraged to make**  
 7 **allocations to a school corporation.**

8 **(m) A redevelopment commission may not adopt an amendment**  
 9 **to a declaratory resolution that contains an allocation area**  
 10 **provision that extends the expiration date of the allocation area**  
 11 **provision, as provided in subsection (b). However, after the**  
 12 **expiration of a previous allocation area provision, a redevelopment**  
 13 **commission may adopt a declaratory resolution, or an amendment**  
 14 **to a declaratory resolution, that contains a new allocation area**  
 15 **provision with a new expiration date, and for which the county**  
 16 **auditor in which the unit is located shall compute the base assessed**  
 17 **value for the allocation area using the assessment date immediately**  
 18 **preceding the effective date of the new allocation provision of the**  
 19 **declaratory resolution or amendment.**

20 **(n) A redevelopment commission may, pursuant to the approval**  
 21 **of the local legislative body, create an account for a specific**  
 22 **infrastructure purpose.**

23 **(o) For a bond issuance related exclusively to infrastructure in**  
 24 **an allocation area, new bonds may only be issued by an existing**  
 25 **redevelopment commission between July 1, 2023, and January 1,**  
 26 **2025.**

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

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

- 41 (1) The construction, rehabilitation, or repair of residential units  
 42 within the allocation area.



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



1 allocated but for the credit.

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

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

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

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

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

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

27 (1) Accomplish one (1) or more of the actions set forth in section  
28 ~~39(b)(3)(A)~~ **39(b)(5)(A)** through ~~39(b)(3)(H)~~ **39(b)(5)(H)** and  
29 ~~39(b)(3)(J)~~ **39(b)(5)(J)** of this chapter for property that is  
30 residential in nature.

31 (2) Reimburse the county or municipality for expenditures made  
32 by the county or municipality in order to accomplish the housing  
33 program in that allocation area.

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

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

40 (1) Determine the amount, if any, by which the assessed value of  
41 the taxable property in the allocation area for the most recent  
42 assessment date minus the base assessed value, when multiplied



1 by the estimated tax rate of the allocation area, will exceed the  
 2 amount of assessed value needed to produce the property taxes  
 3 necessary to:

4 (A) make the distribution required under section 39(b)(2),  
 5 **39(b)(3), and 39(b)(4)** of this chapter;

6 (B) make, when due, principal and interest payments on bonds  
 7 described in section ~~39(b)(3)~~ **39(b)(5)** of this chapter;

8 (C) pay the amount necessary for other purposes described in  
 9 section ~~39(b)(3)~~ **39(b)(5)** of this chapter; and

10 (D) reimburse the county or municipality for anticipated  
 11 expenditures described in subsection (e)(2).

12 (2) Provide a written notice to the county auditor, the fiscal body  
 13 of the county or municipality that established the department of  
 14 redevelopment, and the officers who are authorized to fix budgets,  
 15 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 16 taxing units that is wholly or partly located within the allocation  
 17 area. The county auditor, upon receiving the notice, shall forward  
 18 this notice (in an electronic format) to the department of local  
 19 government finance not later than June 15 of each year. The  
 20 notice must:

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

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

28 The county auditor shall allocate to the respective taxing units the  
 29 amount, if any, of excess assessed value determined by the  
 30 commission.

31 (3) If:

32 (A) the amount of excess assessed value determined by the  
 33 commission is expected to generate more than two hundred  
 34 percent (200%) of the amount of allocated tax proceeds  
 35 necessary to make, when due, principal and interest payments  
 36 on bonds described in subdivision (1); plus

37 (B) the amount necessary for other purposes described in  
 38 subdivision (1);

39 the commission shall submit to the legislative body of the unit its  
 40 determination of the excess assessed value that the commission  
 41 proposes to allocate to the respective taxing units in the manner  
 42 prescribed in subdivision (2). The legislative body of the unit may



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

4 (g) This subsection applies to an allocation area only to the extent  
 5 that the net assessed value of property that is assessed as residential  
 6 property under the rules of the department of local government finance  
 7 is not included in the base assessed value. If property tax installments  
 8 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
 9 installments established by the department of local government finance  
 10 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 11 allocation area is entitled to an additional credit under subsection (d)  
 12 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
 13 installments. The credit shall be applied in the same proportion to each  
 14 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

15 SECTION 15. IC 36-7-14-52, AS AMENDED BY P.L.38-2021,  
 16 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 52. (a) Notwithstanding  
 18 section 39(a) of this chapter, with respect to the allocation and  
 19 distribution of property taxes for the accomplishment of the purposes  
 20 of an age-restricted housing program adopted under section 49 of this  
 21 chapter, "base assessed value" means, subject to section 39(j) of this  
 22 chapter, the net assessed value of all of the property, other than  
 23 personal property, as finally determined for the assessment date  
 24 immediately preceding the effective date of the allocation provision, as  
 25 adjusted under section 39(h) of this chapter.

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

- 31 (1) The construction of any infrastructure (including streets,  
 32 sidewalks, and sewers) or local public improvements in, serving,  
 33 or benefiting the allocation area.  
 34 (2) The acquisition of real property and interests in real property  
 35 within the allocation area.  
 36 (3) The preparation of real property in anticipation of  
 37 development of the real property within the allocation area.  
 38 (4) To do any of the following:  
 39 (A) Pay the principal of and interest on bonds or any other  
 40 obligations payable from allocated tax proceeds in the  
 41 allocation area that are incurred by the redevelopment district  
 42 for the purpose of financing or refinancing the age-restricted





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



1 of the county or municipality that established the department of  
 2 redevelopment, and the officers who are authorized to fix budgets,  
 3 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 4 taxing units that is wholly or partly located within the allocation  
 5 area. The county auditor, upon receiving the notice, shall forward  
 6 this notice (in an electronic format) to the department of local  
 7 government finance not later than June 15 of each year. The  
 8 notice must:

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

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

16 The county auditor shall allocate to the respective taxing units the  
 17 amount, if any, of excess assessed value determined by the  
 18 commission.

19 SECTION 16. IC 36-7-14-56, AS ADDED BY P.L.235-2019,  
 20 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 56. (a) This section  
 22 applies only to a residential housing development program authorized  
 23 by section 53 of this chapter.

24 (b) Notwithstanding section 39(a) of this chapter, with respect to the  
 25 allocation and distribution of property taxes for the accomplishment of  
 26 the purposes of a residential housing development program adopted  
 27 under section 53 of this chapter, "base assessed value" means the net  
 28 assessed value of all of the property, other than personal property, as  
 29 finally determined for the assessment date immediately preceding the  
 30 effective date of the allocation provision, as adjusted under section  
 31 39(h) of this chapter.

32 (c) The allocation fund established under section 39(b) of this  
 33 chapter for the allocation area for a residential housing development  
 34 program adopted under section 53 of this chapter may be used only for  
 35 purposes related to the accomplishment of the purposes of the program,  
 36 including, but not limited to, the following:

37 (1) The construction of any infrastructure (including streets,  
 38 roads, and sidewalks) or local public improvements in, serving,  
 39 or benefiting a residential housing development project.

40 (2) The acquisition of real property and interests in real property  
 41 for rehabilitation purposes within the allocation area.

42 (3) The preparation of real property in anticipation of



1 development of the real property within the allocation area.

2 (4) To do any of the following:

3 (A) Pay the principal of and interest on bonds or any other  
4 obligations payable from allocated tax proceeds in the  
5 allocation area that are incurred by the redevelopment district  
6 for the purpose of financing or refinancing the residential  
7 housing development program established under section 53 of  
8 this chapter for the allocation area.

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

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

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

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

21 (F) Make payments on leases payable from allocated tax  
22 proceeds in the allocation area under section 25.2 of this  
23 chapter.

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

29 (d) Notwithstanding section 39(b) of this chapter, the commission  
30 shall, relative to the allocation fund established under section 39(b) of  
31 this chapter for an allocation area for a residential housing  
32 development program adopted under section 53 of this chapter, do the  
33 following before June 15 of each year:

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

40 (A) make the distribution required under section 39(b)(2),  
41 **39(b)(3), and 39(b)(4)** of this chapter;

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



- 1 described in section ~~39(b)(3)~~ **39(b)(5)** of this chapter;  
 2 (C) pay the amount necessary for other purposes described in  
 3 section ~~39(b)(3)~~ **39(b)(5)** of this chapter; and  
 4 (D) reimburse the county or municipality for anticipated  
 5 expenditures described in subsection (c)(2).  
 6 (2) Provide a written notice to the county auditor, the fiscal body  
 7 of the county or municipality that established the department of  
 8 redevelopment, the officers who are authorized to fix budgets, tax  
 9 rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 10 taxing units that are wholly or partly located within the allocation  
 11 area, and (in an electronic format) the department of local  
 12 government finance. The notice must:  
 13 (A) state the amount, if any, of excess property taxes that the  
 14 commission has determined may be paid to the respective  
 15 taxing units in the manner prescribed in section 39(b)(1) of  
 16 this chapter; or  
 17 (B) state that the commission has determined that there is no  
 18 excess assessed value that may be allocated to the respective  
 19 taxing units in the manner prescribed in subdivision (1).  
 20 The county auditor shall allocate to the respective taxing units the  
 21 amount, if any, of excess assessed value determined by the  
 22 commission.  
 23 (e) If the amount of excess assessed value determined by the  
 24 commission is expected to generate more than two hundred percent  
 25 (200%) of the amount of allocated tax proceeds:  
 26 (1) necessary to make, when due, principal and interest payments  
 27 on bonds described in ~~39(b)(3)~~ **section 39(b)(5)** of this chapter;  
 28 plus  
 29 (2) the amount necessary for other purposes described in ~~39(b)(3)~~  
 30 **section 39(b)(5)** of this chapter;  
 31 the commission shall submit to the county or municipal legislative  
 32 body its determination of the excess assessed value that the  
 33 commission proposes to allocate to the respective taxing units in the  
 34 manner prescribed in subsection (d)(2). The county or municipal  
 35 legislative body may approve the commission's determination or  
 36 modify the amount of the excess assessed value that will be allocated  
 37 to the respective taxing units in the manner prescribed in subsection  
 38 (d)(2).  
 39 (f) An allocation area must terminate on the date the residential  
 40 housing development program is terminated as set forth in section  
 41 53(e) of this chapter.  
 42 SECTION 17. IC 36-7-14.5-12.5, AS AMENDED BY



1 P.L.242-2015, SECTION 43, IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]:  
 3 Sec. 12.5. (a) This section applies only to an authority in a county  
 4 having a United States government military base that is scheduled for  
 5 closing or is completely or partially inactive or closed.

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

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

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

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

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

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

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

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

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

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

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

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



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



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



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

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

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

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

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

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

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

26 (A) in the allocation area; and

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

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

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





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

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

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

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

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

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

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

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

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

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

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

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

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



- 1 the bonds. Any revenue bonds issued by the authority that are  
 2 payable solely from revenues of the authority shall contain a  
 3 statement to that effect in the form of bond.
- 4 (f) Notwithstanding section 8(a) of this chapter, an ordinance  
 5 adopted under section 11 of this chapter may provide, or be amended  
 6 to provide, that the board of directors of the authority shall be  
 7 composed of not fewer than three (3) nor more than eleven (11)  
 8 members, who must be residents of or be employed at a place of  
 9 employment located within the unit. The members shall be appointed  
 10 by the executive of the unit.
- 11 (g) The acquisition of real and personal property by an authority  
 12 under this section is not subject to the provisions of IC 5-22,  
 13 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the  
 14 purchase of property by public bodies or their agencies.
- 15 (h) An authority may negotiate for the sale, lease, or other  
 16 disposition of real and personal property without complying with the  
 17 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other  
 18 statute governing the disposition of public property.
- 19 (i) Notwithstanding any other law, utility services provided within  
 20 an economic development area established under this section are  
 21 subject to regulation by the appropriate regulatory agencies unless the  
 22 utility service is provided by a utility that provides utility service solely  
 23 within the geographic boundaries of an existing or a closed military  
 24 installation, in which case the utility service is not subject to regulation  
 25 for purposes of rate making, regulation, service delivery, or issuance of  
 26 bonds or other forms of indebtedness. However, this exemption from  
 27 regulation does not apply to utility service if the service is generated,  
 28 treated, or produced outside the boundaries of the existing or closed  
 29 military installation.
- 30 SECTION 18. IC 36-7-15.1-36.4 IS ADDED TO THE INDIANA  
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2023]: **Sec. 36.4. (a) Not later than December**  
 33 **31 of each year, the redevelopment commissioners shall provide the**  
 34 **balance of:**
- 35 (1) the special fund described in section 53(b)(3) of this
  - 36 chapter; and
  - 37 (2) any other funds maintained by the redevelopment
  - 38 commission;
- 39 to the department of local government finance.
- 40 (b) The department of local government finance shall post fund  
 41 balances received under subsection (a) on the Indiana  
 42 transparency website within ninety (90) days of the receipt of the



1 **fund balances.**

2 **(c) Not later than February of each year, the department of local**  
 3 **government finance shall compile the information received from**  
 4 **the redevelopment commission under subsection (a) and provide**  
 5 **the information to the interim study committee on fiscal policy**  
 6 **established by IC 2-5-1.3-4.**

7 **(d) This section expires July 1, 2028.**

8 SECTION 19. IC 36-7-15.1-45, AS AMENDED BY P.L.203-2011,  
 9 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2023]: Sec. 45. (a) In addition to other methods of raising  
 11 money for property acquisition or redevelopment in a redevelopment  
 12 project area, and in anticipation of the special tax to be levied under  
 13 section 50 of this chapter, the taxes allocated under section 53 of this  
 14 chapter, or other revenues of the redevelopment district, a commission  
 15 may, by resolution, issue the bonds of its redevelopment district in the  
 16 name of the excluded city. The amount of the bonds may not exceed  
 17 the total, as estimated by the commission, of all expenses reasonably  
 18 incurred in connection with the acquisition and redevelopment of the  
 19 property, including:

- 20 (1) the total cost of all land, rights-of-way, and other property to  
 21 be acquired and redeveloped;  
 22 (2) all reasonable and necessary architectural, engineering, legal,  
 23 financing, accounting, advertising, bond discount, and  
 24 supervisory expenses related to the acquisition and redevelopment  
 25 of the property or the issuance of bonds;  
 26 (3) capitalized interest permitted in this chapter and a debt service  
 27 reserve for the bonds, to the extent that the redevelopment  
 28 commission determines that a reserve is reasonably required;  
 29 (4) the total cost of all clearing and construction work provided  
 30 for in the resolution; and  
 31 (5) expenses that the commission is required or permitted to pay  
 32 under IC 8-23-17.

33 (b) If a commission plans to acquire different parcels of land or let  
 34 different contracts for redevelopment work at approximately the same  
 35 time, whether under one (1) or more resolutions, a commission may  
 36 provide for the total cost in one (1) issue of bonds.

37 (c) The bonds must be dated as set forth in the bond resolution and  
 38 negotiable subject to the requirements concerning registration of the  
 39 bonds. The resolution authorizing the bonds must state:

- 40 (1) the denominations of the bonds;  
 41 (2) the place or places at which the bonds are payable; and  
 42 (3) the term of the bonds, which may not exceed:



- 1 (A) fifty (50) years, for bonds issued before July 1, 2008; or  
 2 (B) twenty-five (25) years, for bonds issued after June 30,  
 3 2008.

4 The resolution may also state that the bonds are redeemable before  
 5 maturity with or without a premium, as determined by the commission.

6 (d) The commission shall certify a copy of the resolution authorizing  
 7 the bonds to the fiscal officer of the excluded city, who shall then  
 8 prepare the bonds. The seal of the unit must be impressed on the bonds,  
 9 or a facsimile of the seal must be printed on the bonds.

10 (e) The bonds shall be executed by the excluded city executive and  
 11 attested by the excluded city fiscal officer. The interest coupons, if any,  
 12 shall be executed by the facsimile signature of the excluded city fiscal  
 13 officer.

14 (f) The bonds are exempt from taxation as provided by IC 6-8-5.

15 (g) The excluded city fiscal officer shall sell the bonds according to  
 16 law. Bonds payable solely or in part from tax proceeds allocated under  
 17 section ~~53(b)(3)~~ **53(b)(4)** of this chapter or other revenues of the  
 18 district may be sold at private negotiated sale and at a price or prices  
 19 not less than ninety-seven percent (97%) of the par value.

20 (h) The bonds are not a corporate obligation of the excluded city but  
 21 are an indebtedness of the redevelopment district. The bonds and  
 22 interest are payable:

- 23 (1) from a special tax levied upon all of the property in the  
 24 redevelopment district, as provided by section 50 of this chapter;  
 25 (2) from the tax proceeds allocated under section ~~53(b)(3)~~  
 26 **53(b)(4)** of this chapter;  
 27 (3) from other revenues available to the commission; or  
 28 (4) from a combination of the methods described in subdivisions  
 29 (1) through (3);

30 and from any revenues of the designated project. If the bonds are  
 31 payable solely from the tax proceeds allocated under section ~~53(b)(3)~~  
 32 **53(b)(4)** of this chapter, other revenues of the redevelopment  
 33 commission, or any combination of these sources, they may be issued  
 34 in any amount without limitation.

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

38 (j) The laws relating to the filing of petitions requesting the issuance  
 39 of bonds and the right of taxpayers and voters to remonstrate against,  
 40 or vote on, the issuance of bonds applicable to bonds issued under this  
 41 chapter do not apply to bonds payable solely or in part from tax  
 42 proceeds allocated under section ~~53(b)(3)~~ **53(b)(4)** of this chapter,



1 other revenues of the commission, or any combination of these sources.

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

18 SECTION 20. IC 36-7-15.1-50, AS AMENDED BY P.L.203-2011,  
 19 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 JULY 1, 2023]: Sec. 50. (a) This section applies only to:

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

23 that are payable from a special tax levied upon all of the property in the  
 24 redevelopment district. This section does not apply to bonds or leases  
 25 that are payable solely from tax proceeds allocated under section  
 26 ~~53(b)(3)~~ **53(b)(4)** of this chapter, other revenues of the commission, or  
 27 any combination of these sources.

28 (b) The excluded city legislative body shall levy each year a tax on  
 29 all of the property of the redevelopment district in such a manner as to  
 30 meet and pay:

- 31 (1) the principal of the bonds as they mature, together with all  
 32 accruing interest on the bonds; or  
 33 (2) lease rental payments under section 46 of this chapter.

34 The tax levied shall be certified to the fiscal officers of the excluded  
 35 city and the county before October 2 in each year. The tax shall be  
 36 estimated and entered on the tax duplicate by the county auditor and  
 37 shall be collected and enforced by the county treasurer in the same  
 38 manner as other state and county taxes are estimated, entered,  
 39 collected, and enforced.

40 (c) As the tax is collected, it shall be accumulated in a separate fund  
 41 to be known as the redevelopment district bond fund and shall be  
 42 applied to the payment of the bonds as they mature and the interest on



1 the bonds as it accrues, or to make lease payments, and to no other  
 2 purpose. All accumulations of the fund before use for the payment of  
 3 bonds and interest or to make lease payments shall be deposited with  
 4 the depository or depositories for other public funds of the city in  
 5 accordance with the statutes concerning the deposit of public funds,  
 6 unless they are invested under IC 5-13.

7 (d) The tax levies provided for in this section are reviewable by  
 8 other bodies vested by law with the authority to ascertain that the levies  
 9 are sufficient to raise the amount that, with other amounts available, is  
 10 sufficient to meet the payments under the lease payable from the levy  
 11 of taxes.

12 SECTION 21. IC 36-7-15.1-53, AS AMENDED BY P.L.174-2022,  
 13 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2023]: Sec. 53. (a) As used in this section:

15 "Allocation area" means that part of a redevelopment project area  
 16 to which an allocation provision of a resolution adopted under section  
 17 40 of this chapter refers for purposes of distribution and allocation of  
 18 property taxes.

19 "Base assessed value" means, subject to subsection (j):

20 (1) the net assessed value of all the property as finally determined  
 21 for the assessment date immediately preceding the effective date  
 22 of the allocation provision of the declaratory resolution, as  
 23 adjusted under subsection (h); plus

24 (2) to the extent that it is not included in subdivision (1), the net  
 25 assessed value of property that is assessed as residential property  
 26 under the rules of the department of local government finance, as  
 27 finally determined for the current assessment date.

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

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



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

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

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

21 or

22 (B) the base assessed value;

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

25 **(2) This subdivision applies to an allocation area established**  
 26 **in accordance with section 8 of this chapter after June 30,**  
 27 **2023. The amount determined under this subdivision shall be**  
 28 **distributed for police or fire services according to the**  
 29 **following calculation:**

30 **STEP ONE: Determine the amount, if any, of the assessed**  
 31 **value of the taxable property in the allocation area for the**  
 32 **most recent assessment date minus the base assessed value.**

33 **STEP TWO: Multiply the amount determined under STEP**  
 34 **ONE by the county unit's total nonreferendum tax rate per**  
 35 **one hundred dollars (\$100) of assessed value.**

36 **STEP THREE: Multiply the STEP TWO product by five**  
 37 **percent (5%).**

38 **The amount determined under STEP THREE of this**  
 39 **subdivision shall be allocated to and, when collected, paid to**  
 40 **the county taxing unit that provides police or fire services in**  
 41 **the allocation area to be used for operating or capital**  
 42 **expenditures required for providing police and fire services**



- 1           **in the allocation area.**
- 2           ~~(2)~~ **(3)** The excess of the proceeds of the property taxes imposed
- 3           for the assessment date with respect to which the allocation and
- 4           distribution is made that are attributable to taxes imposed after
- 5           being approved by the voters in a referendum or local public
- 6           question conducted after April 30, 2010, not otherwise included
- 7           in ~~subdivision (1)~~ **subdivisions (1) and (2)** shall be allocated to
- 8           and, when collected, paid into the funds of the taxing unit for
- 9           which the referendum or local public question was conducted.
- 10          ~~(3)~~ **(4)** Except as otherwise provided in this section, property tax
- 11          proceeds in excess of those described in subdivisions (1), **(2)**, and
- 12          ~~(2)~~ **(3)** shall be allocated to the redevelopment district and, when
- 13          collected, paid into a special fund for that allocation area that may
- 14          be used by the redevelopment district only to do one (1) or more
- 15          of the following:
- 16                (A) Pay the principal of and interest on any obligations
- 17                payable solely from allocated tax proceeds that are incurred by
- 18                the redevelopment district for the purpose of financing or
- 19                refinancing the redevelopment of that allocation area.
- 20                (B) Establish, augment, or restore the debt service reserve for
- 21                bonds payable solely or in part from allocated tax proceeds in
- 22                that allocation area.
- 23                (C) Pay the principal of and interest on bonds payable from
- 24                allocated tax proceeds in that allocation area and from the
- 25                special tax levied under section 50 of this chapter.
- 26                (D) Pay the principal of and interest on bonds issued by the
- 27                excluded city to pay for local public improvements that are
- 28                physically located in or physically connected to that allocation
- 29                area.
- 30                (E) Pay premiums on the redemption before maturity of bonds
- 31                payable solely or in part from allocated tax proceeds in that
- 32                allocation area.
- 33                (F) Make payments on leases payable from allocated tax
- 34                proceeds in that allocation area under section 46 of this
- 35                chapter.
- 36                (G) Reimburse the excluded city for expenditures for local
- 37                public improvements (which include buildings, park facilities,
- 38                and other items set forth in section 45 of this chapter) that are
- 39                physically located in or physically connected to that allocation
- 40                area.
- 41                (H) Reimburse the unit for rentals paid by it for a building or
- 42                parking facility that is physically located in or physically





1 connected to that allocation area under any lease entered into  
2 under IC 36-1-10.

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

5 (i) in the allocation area; and

6 (ii) on a parcel of real property that has been classified as  
7 industrial property under the rules of the department of local  
8 government finance.

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

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

18 ~~(4)~~ (5) Before June 15 of each year, the commission shall do the  
19 following:

20 (A) Determine the amount, if any, by which the assessed value  
21 of the taxable property in the allocation area for the most  
22 recent assessment date minus the base assessed value, when  
23 multiplied by the estimated tax rate of the allocation area, will  
24 exceed the amount of assessed value needed to provide the  
25 property taxes necessary to make, when due, principal and  
26 interest payments on bonds described in subdivision ~~(3)~~ (4)  
27 plus the amount necessary for other purposes described in  
28 subdivision ~~(3)~~ (4) and subsection (g).

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

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

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



- 1           The county auditor shall allocate to the respective taxing units  
 2           the amount, if any, of excess assessed value determined by the  
 3           commission. The commission may not authorize an allocation  
 4           to the respective taxing units under this subdivision if to do so  
 5           would endanger the interests of the holders of bonds described  
 6           in subdivision ~~(3)~~: **(4)**.
- 7           (c) For the purpose of allocating taxes levied by or for any taxing  
 8           unit or units, the assessed value of taxable property in a territory in the  
 9           allocation area that is annexed by any taxing unit after the effective  
 10          date of the allocation provision of the resolution is the lesser of:  
 11          (1) the assessed value of the property for the assessment date with  
 12          respect to which the allocation and distribution is made; or  
 13          (2) the base assessed value.
- 14          (d) Property tax proceeds allocable to the redevelopment district  
 15          under subsection ~~(b)(3)~~ **(b)(4)** may, subject to subsection ~~(b)(4)~~; **(b)(5)**,  
 16          be irrevocably pledged by the redevelopment district for payment as set  
 17          forth in subsection ~~(b)(3)~~: **(b)(4)**.
- 18          (e) Notwithstanding any other law, each assessor shall, upon  
 19          petition of the commission, reassess the taxable property situated upon  
 20          or in, or added to, the allocation area, effective on the next assessment  
 21          date after the petition.
- 22          (f) Notwithstanding any other law, the assessed value of all taxable  
 23          property in the allocation area, for purposes of tax limitation, property  
 24          tax replacement, and formulation of the budget, tax rate, and tax levy  
 25          for each political subdivision in which the property is located, is the  
 26          lesser of:  
 27          (1) the assessed value of the property as valued without regard to  
 28          this section; or  
 29          (2) the base assessed value.
- 30          (g) If any part of the allocation area is located in an enterprise zone  
 31          created under IC 5-28-15, the unit that designated the allocation area  
 32          shall create funds as specified in this subsection. A unit that has  
 33          obligations, bonds, or leases payable from allocated tax proceeds under  
 34          subsection ~~(b)(3)~~ **(b)(4)** shall establish an allocation fund for the  
 35          purposes specified in subsection ~~(b)(3)~~ **(b)(4)** and a special zone fund.  
 36          Such a unit shall, until the end of the enterprise zone phase out period,  
 37          deposit each year in the special zone fund the amount in the allocation  
 38          fund derived from property tax proceeds in excess of those described  
 39          in subsection (b)(1), ~~and (b)(2)~~, ~~and (b)(3)~~ from property located in the  
 40          enterprise zone that exceeds the amount sufficient for the purposes  
 41          specified in subsection ~~(b)(3)~~ **(b)(4)** for the year. A unit that has no  
 42          obligations, bonds, or leases payable from allocated tax proceeds under



1 subsection ~~(b)(3)~~ **(b)(4)** shall establish a special zone fund and deposit  
 2 all the property tax proceeds in excess of those described in subsection  
 3 (b)(1), ~~and~~ (b)(2), **and (b)(3)** in the fund derived from property tax  
 4 proceeds in excess of those described in subsection (b)(1), ~~and~~ (b)(2),  
 5 **and (b)(3)** from property located in the enterprise zone. The unit that  
 6 creates the special zone fund shall use the fund, based on the  
 7 recommendations of the urban enterprise association, for one (1) or  
 8 more of the following purposes:

9 (1) To pay for programs in job training, job enrichment, and basic  
 10 skill development designed to benefit residents and employers in  
 11 the enterprise zone. The programs must reserve at least one-half  
 12 (1/2) of the enrollment in any session for residents of the  
 13 enterprise zone.

14 (2) To make loans and grants for the purpose of stimulating  
 15 business activity in the enterprise zone or providing employment  
 16 for enterprise zone residents in an enterprise zone. These loans  
 17 and grants may be made to the following:

18 (A) Businesses operating in the enterprise zone.

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

21 (3) To provide funds to carry out other purposes specified in  
 22 subsection ~~(b)(3)~~ **(b)(4)**. However, where reference is made in  
 23 subsection ~~(b)(3)~~ **(b)(4)** to the allocation area, the reference refers,  
 24 for purposes of payments from the special zone fund, only to that  
 25 part of the allocation area that is also located in the enterprise  
 26 zone.

27 (h) The state board of accounts and department of local government  
 28 finance shall make the rules and prescribe the forms and procedures  
 29 that they consider expedient for the implementation of this chapter.  
 30 After each reassessment of real property in an area under a county's  
 31 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
 32 local government finance shall adjust the base assessed value one (1)  
 33 time to neutralize any effect of the reassessment of the real property in  
 34 the area on the property tax proceeds allocated to the redevelopment  
 35 district under this section. After each annual adjustment under  
 36 IC 6-1.1-4-4.5, the department of local government finance shall adjust  
 37 the base assessed value to neutralize any effect of the annual  
 38 adjustment on the property tax proceeds allocated to the redevelopment  
 39 district under this section. However, the adjustments under this  
 40 subsection may not include the effect of property tax abatements under  
 41 IC 6-1.1-12.1, and these adjustments may not produce less property tax  
 42 proceeds allocable to the redevelopment district under subsection



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

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

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

9 (2) Subject to subdivision (3), the initial allocation deadline and  
 10 subsequent allocation deadlines are automatically extended in  
 11 increments of five (5) years, so that allocation deadlines  
 12 subsequent to the initial allocation deadline fall on December 31,  
 13 2016, and December 31 of each fifth year thereafter.

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

17 (A) terminates the automatic extension of allocation deadlines  
 18 under subdivision (2); and

19 (B) specifically designates a particular date as the final  
 20 allocation deadline.

21 (j) If the commission adopts a declaratory resolution or an  
 22 amendment to a declaratory resolution that contains an allocation  
 23 provision and the commission makes either of the filings required  
 24 under section 10(e) of this chapter after the first anniversary of the  
 25 effective date of the allocation provision, the auditor of the county in  
 26 which the unit is located shall compute the base assessed value for the  
 27 allocation area using the assessment date immediately preceding the  
 28 later of:

29 (1) the date on which the documents are filed with the county  
 30 auditor; or

31 (2) the date on which the documents are filed with the department  
 32 of local government finance.

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

40 **(l) This subsection applies to an allocation area established in**  
 41 **accordance with section 8 of this chapter before July 1, 2023. The**  
 42 **redevelopment commission is strongly encouraged to make**



1 **allocations to a school corporation.**

2 SECTION 22. IC 36-7.5-4.5-18, AS ADDED BY P.L.248-2017,  
 3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 18. If a district is  
 5 established, the following apply to the administration and use of  
 6 incremental property tax revenue by the development authority, or a  
 7 redevelopment commission in the case of a district located in a cash  
 8 participant county, in the district:

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

13 (2) Proceeds of the property taxes approved by the voters in a  
 14 referendum or local public question shall be allocated to and,  
 15 when collected, paid into the funds of the taxing unit for which  
 16 the referendum or local public question was conducted in the  
 17 same manner as provided in ~~IC 36-7-14-39(b)(2).~~  
 18 **IC 36-7-14-39(b)(4).**

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

21 (A) To finance the improvement, construction, reconstruction,  
 22 renovation, and acquisition of real and personal property  
 23 improvements within a district.

24 (B) To pay the principal of and interest on any obligations that  
 25 are incurred for the purpose of financing or refinancing  
 26 development in the district, including local public  
 27 improvements that are physically located in or physically  
 28 connected to the district.

29 (C) To establish, augment, or restore the debt service reserve  
 30 for bonds payable solely or in part from incremental property  
 31 tax revenue from the district.

32 (D) To pay premiums on the redemption before maturity of  
 33 bonds payable solely or in part from incremental property tax  
 34 revenue from the district.

35 (E) To make payments on leases payable from incremental  
 36 property tax revenue from the district.

37 (F) To reimburse a municipality in which a district is located  
 38 for expenditures made by the municipality for local public  
 39 improvements that are physically located in or physically  
 40 connected to the district.

41 (G) To reimburse a municipality for rentals paid by the  
 42 municipality for a building or parking facility that is physically



- 1 located in or physically connected to the district under any  
 2 lease entered into under IC 36-1-10.  
 3 (H) To pay expenses incurred by the development authority for  
 4 local public improvements that are in the district or serving the  
 5 district.
- 6 SECTION 23. IC 36-8-19-6, AS AMENDED BY P.L.95-2022,  
 7 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JANUARY 1, 2023 (RETROACTIVE)]: Sec. 6. (a) To establish or  
 9 expand a fire protection territory, the legislative bodies of each unit or  
 10 fire protection district:
- 11 (1) desiring to establish a fire protection territory; or
  - 12 (2) desiring to expand an existing fire protection territory by:
    - 13 (A) becoming a participating unit in; or
    - 14 (B) approving the addition of a participating unit in;
- 15 an existing fire protection territory;  
 16 must adopt an ordinance (in the case of a county or municipality) or a  
 17 resolution (in the case of a township or a fire protection district).
- 18 (b) The ordinance or resolution must meet the following  
 19 requirements:
- 20 (1) The ordinance or resolution is identical to the ordinances and  
 21 resolutions adopted by the other units or fire protection districts  
 22 desiring to establish or expand the proposed territory.
  - 23 (2) **Except as otherwise provided in this subdivision, the**  
 24 **ordinance or resolution is adopted after January 1 but before April**  
 25 **1. However, for an ordinance or resolution adopted in 2023,**  
 26 **the ordinance or resolution must be adopted after January 1,**  
 27 **2023, and before August 2, 2023.**
  - 28 (3) The ordinance or resolution authorizes the unit or fire  
 29 protection district to become a party to an agreement for the  
 30 establishment of a fire protection territory or the expansion of an  
 31 existing fire protection territory.
  - 32 (4) **This subdivision does not apply to an ordinance or**  
 33 **resolution adopted in 2023.** An ordinance or resolution is  
 34 adopted after the legislative body holds at least three (3) public  
 35 hearings to receive public comment on the proposed ordinance or  
 36 resolution as follows:
    - 37 (A) At least one (1) public hearing must be held at least thirty  
 38 (30) days before the legislative body votes on the adoption of  
 39 the ordinance or resolution. At the hearing, the legislative  
 40 body shall make available to the public the information  
 41 required by subsection (c) concerning the fiscal impact of the  
 42 proposed fire protection territory.



- 1 (B) At least two (2) public hearings must be held after the  
 2 public hearing in clause (A), with the last public hearing held  
 3 not later than ten (10) days before the legislative body votes on  
 4 the adoption of the ordinance or resolution.  
 5 The legislative body must give notice of the hearings under  
 6 IC 5-3-1.
- 7 **(5) This subdivision applies to an ordinance or resolution**  
 8 **adopted in 2023. An ordinance or resolution is adopted after**  
 9 **the legislative body holds at least three (3) public hearings to**  
 10 **receive public comment on the proposed ordinance or**  
 11 **resolution as follows:**
- 12 (A) At least one (1) public hearing must be held at least  
 13 twenty-five (25) days before the legislative body votes on  
 14 the adoption of the ordinance or resolution. At the hearing,  
 15 the legislative body shall make available to the public the  
 16 information required by subsection (c) concerning the  
 17 fiscal impact of the proposed fire protection territory.
- 18 (B) At least two (2) public hearings must be held after the  
 19 public hearing in clause (A), with the last public hearing  
 20 held not later than five (5) days before the legislative body  
 21 votes on the adoption of the ordinance or resolution.  
 22 The legislative body must give notice of the hearings under  
 23 IC 5-3-1.
- 24 (c) The legislative body must make available to the public the  
 25 following information:
- 26 (1) The property tax levy, property tax rate, and budget to be  
 27 imposed or adopted during the first year of the proposed territory  
 28 for each of the units or fire protection districts that would  
 29 participate in the proposed territory. If a property tax rate is to be  
 30 implemented over a number of years as provided in section 7(c)  
 31 of this chapter, the information under this subdivision must  
 32 include the amount of the intended property tax rate after having  
 33 been fully implemented.
- 34 (2) The estimated effect of the proposed reorganization in the  
 35 following years on taxpayers in each of the units or fire protection  
 36 districts that would participate in the proposed territory, including  
 37 the expected property tax rates, property tax levies, expenditure  
 38 levels, service levels, and annual debt service payments.
- 39 (3) The estimated effect of the proposed reorganization on other  
 40 units in the county in the following years and on local option  
 41 income taxes, excise taxes, and property tax circuit breaker  
 42 credits.



- 1 (4) A description of the planned services and staffing levels to be  
 2 provided in the proposed territory.  
 3 (5) A description of any capital improvements to be provided in  
 4 the proposed territory.  
 5 (d) The notice required for a hearing under subsection (b)(4) **and**  
 6 **(b)(5)** shall include all of the following:  
 7 (1) A list of the provider unit and all participating units in the  
 8 proposed territory.  
 9 (2) The date, time, and location of the hearing.  
 10 (3) The location where the public can inspect the proposed  
 11 ordinance or resolution.  
 12 (4) A statement as to whether the proposed ordinance or  
 13 resolution requires uniform tax rates or different tax rates within  
 14 the territory.  
 15 (5) The name and telephone number of a representative of the unit  
 16 or fire protection district who may be contacted for further  
 17 information.  
 18 (6) The proposed levies and tax rates for each participating unit,  
 19 and whether a tax rate will be implemented over a number of  
 20 years under section 7(c) of this chapter.  
 21 (e) The ordinance or resolution adopted under this section shall  
 22 include at least the following:  
 23 (1) The boundaries of the proposed territory.  
 24 (2) The identity of the provider unit and all other participating  
 25 units desiring to be included within the territory.  
 26 (3) An agreement to impose:  
 27 (A) a uniform tax rate upon all of the taxable property within  
 28 the territory for fire protection services; or  
 29 (B) different tax rates for fire protection services for the units  
 30 or fire protection districts desiring to be included within the  
 31 territory, so long as a tax rate applies uniformly to all of a  
 32 unit's or fire protection district's taxable property within the  
 33 territory.  
 34 (4) An agreement as to how the property that is held by the  
 35 territory will be disposed of if:  
 36 (A) a participating unit withdraws from the territory; or  
 37 (B) the territory is dissolved.  
 38 (5) The contents of the agreement to establish the territory.  
 39 (f) An ordinance or a resolution adopted under this section takes  
 40 effect July 1 of the year the ordinance or resolution is adopted.  
 41 **SECTION 24. An emergency is declared for this act.**





## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1085, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective date in SECTION 1 with "[EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]".

Replace the effective dates in SECTIONS 4 through 12 with "[EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]".

Replace the effective date in SECTION 16 with "[EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]".

Page 1, line 7, delete "IC 36-7-14-39(b)(4);" and insert "**IC 36-7-14-39(b)(5);**".

Page 2, delete lines 4 through 42, begin a new paragraph and insert: "SECTION 3. IC 36-7-14-6.1, AS AMENDED BY P.L.55-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 6.1. (a) The five (5) commissioners for a municipal redevelopment commission shall be appointed as follows:

- (1) ~~Three (3)~~ **Two (2)** shall be appointed by the municipal executive.
- (2) Two (2) shall be appointed by the municipal legislative body.
- (3) Subject to subsection (d), one (1) member shall be appointed by the governing body of the school corporation located within the commission's territory.**

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

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

- ~~(1) The county executive shall appoint all the members whose terms of office begin before January 1, 2008.~~
- ~~(2) (1) For terms of office beginning after December 31, 2007,~~ The county executive shall appoint ~~three (3)~~ **two (2)** members, and the county fiscal body shall appoint two (2) members.
- (2) Subject to subsection (d), one (1) member shall be appointed by the governing body of the school corporation located within the commission's territory.**

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

(c) The commissioners for a county redevelopment commission that



has seven (7) members shall be appointed as follows:

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

(2) ~~(1)~~ For terms of office beginning after December 31, 2007, The county executive shall appoint ~~four (4)~~ **three (3)** members, and the county fiscal body shall appoint three (3) members.

**(2) Subject to subsection (d), one (1) member shall be appointed by the governing body of the school corporation located within the commission's territory.**

The county executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008:

(d) A nonvoting adviser appointed under this section:

(1) 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 to the entity that appoints the nonvoting adviser;

(2) is not considered a member of the redevelopment commission for purposes of this chapter but is entitled to attend and participate in the proceedings of all meetings of the redevelopment commission;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is appointed; and

(5) serves at the pleasure of the entity that appointed the nonvoting adviser.

**(d) If there are multiple school corporations within a redevelopment commission's territory, for the first municipal or county redevelopment commission member term beginning after December 31, 2023, the governing body of the school corporation within the commission's territory that has the greatest assessed value shall first appoint the member described in subsections (a)(3), (b)(2), or (c)(2). For the subsequent member term, the governing body of the school corporation within the commission's territory that has the second greatest assessed value shall appoint the member described in subsections (a)(3), (b)(2), or (c)(2), followed by appointment by the governing body of the school corporation within the commission's territory that has the third greatest assessed value for the next member term, and so on, consecutively, until each governing body of a school corporation within the commission's territory has appointed the member.**



**When the governing body of the school corporation within the commission's territory that has the lowest assessed value has appointed the member, the appointment process starts over with the governing body of the school corporation within the commission's territory that has the greatest assessed value making the appointment."**

Page 3, delete lines 1 through 12.

Page 3, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 5. IC 36-7-14-8, AS AMENDED BY P.L.85-2017, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty (30) days after they are appointed and, after that, each year on a day that is not a Saturday, a Sunday, or a legal holiday and that is their first meeting day of the year. They shall choose one (1) of their members as president, another as vice president, and another as secretary. **The president and vice president shall not have the same appointing authority.** These officers shall perform the duties usually pertaining to their offices and shall serve from the date of their election until their successors are elected and qualified.

(b) The fiscal officer of the unit establishing a redevelopment commission is the treasurer of the redevelopment commission. Notwithstanding any other provision of this chapter, but subject to subsection (c), the treasurer has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission in accordance with the requirements of state laws that apply to other funds and accounts administered by the fiscal officer. The treasurer shall report annually to the redevelopment commission before April 1.

(c) The treasurer of the redevelopment commission may disburse funds of the redevelopment commission only after the redevelopment commission allows and approves the disbursement. However, the redevelopment commission may, by rule or resolution, authorize the treasurer to make certain types of disbursements before the redevelopment commission's allowance and approval at its next regular meeting.

(d) The following apply to funds of the redevelopment commission:

- (1) The funds must be accounted for separately by the unit establishing the redevelopment commission and the daily balance of the funds must be maintained in a separate ledger statement.
- (2) Except as provided in subsection (e), all funds designated as redevelopment commission funds must be accessible to the



redevelopment commission at any time.

(3) The amount of the daily balance of redevelopment commission funds may not be below zero (0) at any time.

(4) The funds may not be maintained or used in a manner that is intended to avoid the waiver procedures and requirements for a unit and the redevelopment commission under subsection (e).

(e) If the fiscal body of a unit determines that it is necessary to engage in short term borrowing until the next tax collection period, the fiscal body of the unit may request approval from the redevelopment commission to waive the requirement in subsection (d)(2). In order to waive the requirement under subsection (d)(2), the fiscal body of the unit and the redevelopment commission must adopt similar resolutions that set forth:

(1) the amount of the funds designated as redevelopment commission funds that are no longer accessible to the redevelopment commission under the waiver; and

(2) an expiration date for the waiver.

If a loan is made to a unit from funds designated as redevelopment funds, the loan must be repaid by the unit and the funds made accessible to the redevelopment commission not later than the end of the calendar year in which the funds are received by the unit.

(f) Subsections (d) and (e) do not restrict transfers or uses by a redevelopment commission made to meet commitments under a written agreement of the redevelopment commission that was entered into before January 1, 2016, if the written agreement complied with the requirements existing under the law at the time the redevelopment commission entered into the written agreement.

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

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

(i) This subsection applies only to a county redevelopment commission that consists of seven (7) members. Four (4) of the redevelopment commissioners constitute a quorum, and the



concurrence of four (4) commissioners is necessary to authorize any action.

SECTION 6. IC 36-7-14-12.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2023]: **Sec. 12.7. (a) Not later than December 1 each year, the redevelopment commissioners shall file with the department of local government finance and with the unit's executive and fiscal body a report setting out a spending plan for the next calendar year describing planned expenditures.**

**(b) Except as provided in subsection (c), a redevelopment commission may use money from the redevelopment commission's allocation fund described in section 39(b)(5) of this chapter and any other fund maintained by the redevelopment commission only for the purposes provided in the annual spending plan described in subsection (a).**

**(c) A redevelopment commission may use money from funds described in subsection (b) for the purpose of paying more toward debt service obligations, in order to retire debt service earlier, regardless of whether that use is listed in the annual spending plan described in subsection (a). A redevelopment commission making accelerated debt payments under this subsection may retain the assessed value associated with the original debt service schedule.**

**(d) Early debt retirement described under subsection (c) applies only if the early defeasance of debt is allowed according to the bond issuance documents.**

SECTION 7. IC 36-7-14-13.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2023]: **Sec. 13.5. (a) Not later than December 31 of each year, the redevelopment commissioners shall provide the balance of:**

- (1) the allocation fund described in section 39(b)(5) of this chapter; and**
- (2) any other funds maintained by the redevelopment commission;**

**to the department of local government finance.**

**(b) Not later than February of each year, the department of local government finance shall compile the information received from each redevelopment commission under subsection (a) and provide the information to the interim study committee on fiscal policy established by IC 2-5-1.3-4.**

**(c) This section expires July 1, 2028."**

Page 4, line 1, delete "39(b)(5)" and insert "**39(b)(6)**".



Page 6, line 41, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 7, line 12, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 7, line 18, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 8, line 1, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 8, line 11, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 9, line 19, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 9, line 25, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 9, line 34, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 10, line 8, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 10, line 21, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 10, between lines 34 and 35, begin a new paragraph and insert:

"SECTION 10. IC 36-7-14-29.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 29.6. (a) Except as provided in subsection (b), property tax proceeds allocated under this chapter that are otherwise authorized under this chapter to be expended for purposes related to a redevelopment project that is located outside the boundaries of the allocation area may be expended for those purposes only if the redevelopment commission immediately at the conclusion of the public hearing required under section 17 of this chapter adopts a declaratory resolution, and the applicable legislative body votes to approve the declaratory resolution, that finds that it has been clearly demonstrated that the expenditure:**

- (1) will directly benefit the allocation area; or**
- (2) will result in the creation or retention of jobs in the private sector and provide an estimate of how many jobs will be created or retained over a specified time period.**

**(b) This section does not apply to any transfer of property tax proceeds to a school corporation, an accredited or nonaccredited public or private school, or a charter school, including a transfer of property tax proceeds for a program under IC 36-7-25-7."**

Page 13, line 32, delete "excess of the proceeds of" and insert "amount determined under subdivision (5)(A) shall be distributed according to the following:

- (A) Ten percent (10%) 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. If more than one (1) school corporation maintains an attendance area within the 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 clause shall deposit the distribution in the school corporation's operations fund and may use the distribution only to fund career and technical education programs of the applicable school corporation.

(B) Ten percent (10%) shall be allocated to and, when collected, paid to each taxing unit that provides police or fire services in the allocation area to be used for operating or capital expenditures required for providing police and fire services in the allocation area."

Page 13, delete lines 33 through 42.

Page 14, delete lines 1 through 6, begin a new line block indented and insert:

**"(3) This subdivision applies to a fire protection territory established after December 31, 2022. If a unit becomes a participating unit of a fire protection territory that is established after a declaratory resolution is adopted under section 15 of this chapter, the excess of the proceeds of the property taxes attributable to an increase in the property tax rate for the participating unit of a fire protection territory:**

**(A) except as otherwise provided by this subdivision, shall be determined as follows:**

**STEP ONE: Divide the unit's tax rate for fire protection for the year before the establishment of the fire protection territory by the participating unit's tax rate as part of the fire protection territory.**

**STEP TWO: Subtract the STEP ONE amount from one (1).**

**STEP THREE: Multiply the STEP TWO amount by the allocated property tax attributable to the participating unit of the fire protection territory; and**

**(B) to the extent not otherwise included in subdivisions (1), (2), and (4), shall be allocated to and distributed in the form of an assessed value pass back to the participating unit of the fire protection territory for the assessment date with respect to which the allocation is made.**

**However, if the redevelopment commission determines that it is unable to meet its debt service obligations with regards to the allocation area without all or part of the assessed value pass back to the participating unit of a fire protection area under this subdivision, then the assessed value pass back under this subdivision shall be reduced by the amount**



**necessary for the redevelopment commission to meet its debt service obligations of the allocation area."**

Page 14, line 7, delete "(3)" and insert "(4)".

Page 14, line 12, delete "and (2)" and insert ", (2), and (3)".

Page 14, line 15, delete "(4)" and insert "(5)".

Page 14, line 16, after "(2)," insert "(3),".

Page 14, line 17, delete "(3)" and insert "(4)".

Page 16, line 36, delete "(5)" and insert "(6)".

Page 17, line 2, delete "(4)," and insert "(5),".

Page 17, line 4, delete "(4)." and insert "(5).".

Page 17, line 26, delete "(4)" and insert "(5)".

Page 17, line 33, delete "(4);" and insert "(5);".

Page 17, line 35, delete "(4);" and insert "(5);".

Page 17, line 38, strike "allocate to the respective taxing units" and insert **"use for non-debt, one (1) time purposes within the calendar year before allocating the balance of the excess assessed value to the respective taxing units in the manner prescribed in subdivision (1)."**

Page 17, line 39, strike "in the manner prescribed in subdivision (1).".

Page 18, line 2, delete "(6)" and insert "(7)".

Page 18, line 2, delete "(5)," and insert "(6),".

Page 18, line 10, delete "(5)(A)" and insert "(6)(A)".

Page 18, line 14, delete "(4)" and insert "(5)".

Page 18, line 16, delete "(4)" and insert "(5)".

Page 18, line 30, delete "(b)(4) may," and insert "(b)(5) may,".

Page 18, line 30, delete "(b)(5)," and insert "(b)(6),".

Page 18, line 32, delete "(b)(4)." and insert "(b)(5).".

Page 19, line 7, delete "(b)(4)" and insert "(b)(5)".

Page 19, line 8, delete "(b)(4)" and insert "(b)(5)".

Page 19, line 12, delete "and (b)(3)" and insert "(b)(3), and (b)(4)".

Page 19, line 14, delete "(b)(4)" and insert "(b)(5)".

Page 19, line 15, delete "(b)(4)" and insert "(b)(5)".

Page 19, line 21, delete "(b)(4)" and insert "(b)(5)".

Page 19, line 23, delete "and (b)(3)" and insert "(b)(3), and (b)(4)".

Page 19, line 24, delete "and (b)(3)" and insert "(b)(3), and (b)(4)".

Page 19, line 30, delete "(b)(4)," and insert "(b)(5),".

Page 19, line 31, delete "(b)(4)" and insert "(b)(5)".

Page 20, line 10, delete "(b)(4)" and insert "(b)(5)".

Page 21, between lines 18 and 19, begin a new paragraph and insert:  
**"(m) A redevelopment commission may not adopt an amendment to a declaratory resolution that contains an allocation**





area provision that extends the expiration date of the allocation area provision, as provided in subsection (b). However, after the expiration of a previous allocation area provision, a redevelopment commission may adopt a declaratory resolution, or an amendment to a declaratory resolution, that contains a new allocation area provision with a new expiration date, and for which the county auditor in which the unit is located shall compute the base assessed value for the allocation area using the assessment date immediately preceding the effective date of the new allocation provision of the declaratory resolution or amendment.

(n) A redevelopment commission may, pursuant to the approval of the local legislative body, create an account for a specific infrastructure purpose.

(o) For a bond issuance related exclusively for infrastructure in an allocation area, new bonds may only be issued by an existing redevelopment commission between July 1, 2023, and January 1, 2025."

Page 23, line 20, delete "39(b)(4)(A)" and insert "**39(b)(5)(A)**".

Page 23, line 20, delete "39(b)(4)(H)" and insert "**39(b)(5)(H)**".

Page 23, line 21, delete "39(b)(4)(J)" and insert "**39(b)(5)(J)**".

Page 23, line 38, delete "and" and insert ", **39(b)(3), and 39(b)(4)**".

Page 23, line 39, delete "39(b)(3)".

Page 23, line 41, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 24, line 1, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 26, line 26, delete "and" and insert ", **39(b)(3), and 39(b)(4)**".

Page 26, line 27, delete "39(b)(3)".

Page 26, line 29, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 26, line 31, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 28, line 31, delete "and" and insert ", **39(b)(3), and 39(b)(4)**".

Page 28, line 32, delete "39(b)(3)".

Page 28, line 34, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 28, line 36, delete "39(b)(4)" and insert "**39(b)(5)**".

Page 29, line 18, delete "section 39(b)(4)" and insert "**section 39(b)(5)**".

Page 29, line 21, delete "section 39(b)(4)" and insert "**section 39(b)(5)**".

Page 32, line 38, delete "IC 36-7-14-39(b)(4)," and insert "**IC 36-7-14-39(b)(5)**".

Page 45, line 31, delete "IC 36-7-14-39(b)(3)." and insert "**IC 36-7-14-39(b)(4)**".

Page 46, after line 18, begin a new paragraph and insert:

"SECTION 17. IC 36-8-19-6, AS AMENDED BY P.L.95-2022,



SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2023 (RETROACTIVE)]: Sec. 6. (a) To establish or expand a fire protection territory, the legislative bodies of each unit or fire protection district:

- (1) desiring to establish a fire protection territory; or
- (2) desiring to expand an existing fire protection territory by:
  - (A) becoming a participating unit in; or
  - (B) approving the addition of a participating unit in;

an existing fire protection territory; must adopt an ordinance (in the case of a county or municipality) or a resolution (in the case of a township or a fire protection district).

(b) The ordinance or resolution must meet the following requirements:

- (1) The ordinance or resolution is identical to the ordinances and resolutions adopted by the other units or fire protection districts desiring to establish or expand the proposed territory.
- (2) **Except as otherwise provided in this subdivision, the ordinance or resolution is adopted after January 1 but before April 1. However, for an ordinance or resolution adopted in 2023, the ordinance or resolution must be adopted after January 1, 2023, and before August 2, 2023.**
- (3) The ordinance or resolution authorizes the unit or fire protection district to become a party to an agreement for the establishment of a fire protection territory or the expansion of an existing fire protection territory.
- (4) **This subdivision does not apply to an ordinance or resolution adopted in 2023.** An ordinance or resolution is adopted after the legislative body holds at least three (3) public hearings to receive public comment on the proposed ordinance or resolution as follows:

(A) At least one (1) public hearing must be held at least thirty (30) days before the legislative body votes on the adoption of the ordinance or resolution. At the hearing, the legislative body shall make available to the public the information required by subsection (c) concerning the fiscal impact of the proposed fire protection territory.

(B) At least two (2) public hearings must be held after the public hearing in clause (A), with the last public hearing held not later than ten (10) days before the legislative body votes on the adoption of the ordinance or resolution.

The legislative body must give notice of the hearings under IC 5-3-1.



**(5) This subdivision applies to an ordinance or resolution adopted in 2023. An ordinance or resolution is adopted after the legislative body holds at least three (3) public hearings to receive public comment on the proposed ordinance or resolution as follows:**

**(A) At least one (1) public hearing must be held at least twenty-five (25) days before the legislative body votes on the adoption of the ordinance or resolution. At the hearing, the legislative body shall make available to the public the information required by subsection (c) concerning the fiscal impact of the proposed fire protection territory.**

**(B) At least two (2) public hearings must be held after the public hearing in clause (A), with the last public hearing held not later than five (5) days before the legislative body votes on the adoption of the ordinance or resolution.**

**The legislative body must give notice of the hearings under IC 5-3-1.**

(c) The legislative body must make available to the public the following information:

(1) The property tax levy, property tax rate, and budget to be imposed or adopted during the first year of the proposed territory for each of the units or fire protection districts that would participate in the proposed territory. If a property tax rate is to be implemented over a number of years as provided in section 7(c) of this chapter, the information under this subdivision must include the amount of the intended property tax rate after having been fully implemented.

(2) The estimated effect of the proposed reorganization in the following years on taxpayers in each of the units or fire protection districts that would participate in the proposed territory, including the expected property tax rates, property tax levies, expenditure levels, service levels, and annual debt service payments.

(3) The estimated effect of the proposed reorganization on other units in the county in the following years and on local option income taxes, excise taxes, and property tax circuit breaker credits.

(4) A description of the planned services and staffing levels to be provided in the proposed territory.

(5) A description of any capital improvements to be provided in the proposed territory.

(d) The notice required for a hearing under subsection (b)(4) **and (b)(5)** shall include all of the following:



- (1) A list of the provider unit and all participating units in the proposed territory.
  - (2) The date, time, and location of the hearing.
  - (3) The location where the public can inspect the proposed ordinance or resolution.
  - (4) A statement as to whether the proposed ordinance or resolution requires uniform tax rates or different tax rates within the territory.
  - (5) The name and telephone number of a representative of the unit or fire protection district who may be contacted for further information.
  - (6) The proposed levies and tax rates for each participating unit, and whether a tax rate will be implemented over a number of years under section 7(c) of this chapter.
- (e) The ordinance or resolution adopted under this section shall include at least the following:
- (1) The boundaries of the proposed territory.
  - (2) The identity of the provider unit and all other participating units desiring to be included within the territory.
  - (3) An agreement to impose:
    - (A) a uniform tax rate upon all of the taxable property within the territory for fire protection services; or
    - (B) different tax rates for fire protection services for the units or fire protection districts desiring to be included within the territory, so long as a tax rate applies uniformly to all of a unit's or fire protection district's taxable property within the territory.
  - (4) An agreement as to how the property that is held by the territory will be disposed of if:
    - (A) a participating unit withdraws from the territory; or
    - (B) the territory is dissolved.
  - (5) The contents of the agreement to establish the territory.
- (f) An ordinance or a resolution adopted under this section takes effect July 1 of the year the ordinance or resolution is adopted.



SECTION 18. **An emergency is declared for this act.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1085 as introduced.)

THOMPSON

Committee Vote: yeas 14, nays 6.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1085 be amended to read as follows:

Page 6, between lines 22 and 23, begin a new paragraph and insert:

**"(b) The department of local government finance shall post fund balances received under subsection (a) on the Indiana transparency website within ninety (90) days of the receipt of the fund balances."**

Page 6, line 23, delete "(b)" and insert "(c)".

Page 6, line 28, delete "(c)" and insert "(d)".

Page 40, between lines 33 and 34, begin a new paragraph and insert:

**"SECTION 17. IC 36-7-15.1-36.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 36.4. (a) Not later than December 31 of each year, the redevelopment commissioners shall provide the balance of:**

**(1) the special fund described in section 53(b)(3) of this chapter; and**

**(2) any other funds maintained by the redevelopment commission;**

**to the department of local government finance.**

**(b) The department of local government finance shall post fund balances received under subsection (a) on the Indiana transparency website within ninety (90) days of the receipt of the fund balances.**

**(c) Not later than February of each year, the department of local government finance shall compile the information received from the redevelopment commission under subsection (a) and provide the information to the interim study committee on fiscal policy**



established by IC 2-5-1.3-4.

**(d) This section expires July 1, 2028."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1085 as printed February 14, 2023.)

PRYOR

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1085 be amended to read as follows:

Page 17, delete lines 28 through 42, begin a new line block indented and insert:

**"(2) This subdivision applies to an allocation area established in accordance with section 15 of this chapter after June 30, 2023. The amount determined under this subdivision shall be distributed according to the following:**

**(A) The following calculation as set forth in this clause applies to an allocation area established by a county or a municipality:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Determine the average tax rate per one hundred dollars (\$100) of assessed value of the school corporations' total nonreferendum tax rates per one hundred dollars (\$100) of assessed value for school corporations located in the allocation area.**

**STEP THREE: Multiply the amount determined under STEP ONE by the average tax rate determined under STEP TWO.**

**STEP FOUR: Multiply the STEP THREE product by five percent (5%).**

**The amount determined under STEP FOUR of this clause 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. If more than one (1) school corporation maintains an attendance area within the 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 clause shall deposit the distribution in the school corporation's operations fund and may use the distribution only to fund career and technical education programs of the applicable school corporation.

**(B) The following calculation as set forth in this clause applies only to an allocation area established by a county:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Multiply the amount determined under STEP ONE by the county unit's total nonreferendum tax rate per one hundred dollars (\$100) of assessed value.**

**STEP THREE: Multiply the STEP TWO product by five percent (5%).**

**The amount determined under STEP THREE of this clause shall be allocated to and, when collected, paid to each county taxing unit that provides police or fire services in the allocation area to be used for operating or capital expenditures required for providing police and fire services in the allocation area."**

Page 18, delete lines 1 through 7.

Page 45, delete lines 9 through 27, begin a new line block indented and insert:

**"(2) This subdivision applies to an allocation area established in accordance with section 8 of this chapter after June 30, 2023. The amount determined under this subdivision shall be distributed according to the following:**

**(A) The following calculation set forth in this clause applies to school corporations:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Determine the average tax rate per one hundred dollars (\$100) of assessed value of the school corporations' total nonreferendum tax rates per one hundred dollars (\$100) of assessed value for school corporations located in the allocation area.**

**STEP THREE: Multiply the amount determined under STEP ONE by the average tax rate determined under**



**STEP TWO.**

**STEP FOUR: Multiply the STEP THREE product by five percent (5%).**

**The amount determined under STEP FOUR of this clause 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. If more than one (1) school corporation maintains an attendance area within the 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.**

**(B) The following calculation set forth in this clause applies to police or fire services:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Multiply the amount determined under STEP ONE by the county unit's total nonreferendum tax rate per one hundred dollars (\$100) of assessed value.**

**STEP THREE: Multiply the STEP TWO product by five percent (5%).**

**The amount determined under STEP THREE of this clause shall be allocated to and, when collected, paid to the county taxing unit that provides police or fire services in the allocation area to be used for operating or capital expenditures required for providing police and fire services in the allocation area."**

(Reference is to HB 1085 as printed February 14, 2023.)

CHERRY





## HOUSE MOTION

Mr. Speaker: I move that House Bill 1085 be returned to the second reading calendar forthwith for the purpose of amendment.

CHERRY

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 HOUSE MOTION

Mr. Speaker: I move that House Bill 1085 be amended to read as follows:

Page 2, line 2, delete "IC 36-7-14-39(b)(2), IC 36-7-14-39(l), IC 36-7-15.1-53(b)(2)," and insert "**IC 36-7-14-39(l)**".

Page 2, delete lines 6 through 42, begin a new paragraph and insert:  
 "SECTION 2. IC 36-7-14-3, AS AMENDED BY P.L.149-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of ~~five (5)~~ **four (4)** members to be known as "\_\_\_\_\_ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of ~~seven (7)~~ **six (6)** members.

(b) A redevelopment commission and a department of redevelopment are subject to oversight by the legislative body of the unit, including a review by the legislative body of the commission's and department's annual budget. A redevelopment commission and a department of redevelopment are:

- (1) subject to audit by the state board of accounts under IC 5-11;
- (2) covered by IC 5-14-1.5 (the public meetings law); and
- (3) covered by IC 5-14-3 (the public records law).

(c) Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

(d) All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

SECTION 3. IC 36-7-14-6.1, AS AMENDED BY P.L.55-2016,



SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2024]: Sec. 6.1. (a) The ~~five (5)~~ **four (4)** commissioners for a municipal redevelopment commission shall be appointed as follows:

(1) ~~Three (3)~~ **Two (2)** shall be appointed by the municipal executive.

(2) Two (2) shall be appointed by the municipal legislative body. The municipal executive shall also appoint an individual to serve as a nonvoting adviser to the redevelopment commission beginning July 1, 2008.

(b) The commissioners for a county redevelopment commission that has ~~five (5)~~ **four (4)** members shall be appointed as follows:

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

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint ~~three (3)~~ **two (2)** members, and the county fiscal body shall appoint two (2) members.

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

(c) The commissioners for a county redevelopment commission that has ~~seven (7)~~ **six (6)** members shall be appointed as follows:

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

(2) For terms of office beginning after December 31, 2007, the county executive shall appoint ~~four (4)~~ **three (3)** members, and the county fiscal body shall appoint three (3) members.

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

(d) A nonvoting adviser appointed under this section:

(1) 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 to the entity that appoints the nonvoting adviser;

(2) is not considered a member of the redevelopment commission for purposes of this chapter but is entitled to attend and participate in the proceedings of all meetings of the redevelopment commission;

(3) is not entitled to a salary, per diem, or reimbursement of expenses;

(4) serves for a term of two (2) years and until a successor is



appointed; and

(5) serves at the pleasure of the entity that appointed the nonvoting adviser."

Page 3, delete lines 1 through 38.

Page 5, line 24, strike "seven (7)" and insert "**six (6)**".

Page 5, line 29, strike "seven (7)" and insert "**six (6)**".

Page 17, delete lines 33 through 42, begin a new line block indented and insert:

**"(2) This subdivision applies to an allocation area established by a county in accordance with section 15 of this chapter after June 30, 2023. The amount determined under the following calculation shall be distributed for police or fire services:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Multiply the amount determined under STEP ONE by the county unit's total nonreferendum tax rate per one hundred dollars (\$100) of assessed value.**

**STEP THREE: Multiply the STEP TWO product by five percent (5%).**

**The amount determined under STEP THREE of this subdivision shall be allocated to and, when collected, paid to each county taxing unit that provides police or fire services in the allocation area to be used for operating or capital expenditures required for providing police and fire services in the allocation area."**

Page 18, delete lines 1 through 40.

Page 27, line 1, delete "corporation in the manner described in" and insert "**corporation.**".

Page 27, delete line 2.

Page 27, line 18, delete "for" and insert "**to**".

Page 46, delete lines 20 through 42, begin a new line block indented and insert:

**"(2) This subdivision applies to an allocation area established in accordance with section 8 of this chapter after June 30, 2023. The amount determined under this subdivision shall be distributed for police or fire services according to the following calculation:**

**STEP ONE: Determine the amount, if any, of the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value.**

**STEP TWO: Multiply the amount determined under STEP**



**ONE by the county unit's total nonreferendum tax rate per one hundred dollars (\$100) of assessed value.**

**STEP THREE: Multiply the STEP TWO product by five percent (5%).**

**The amount determined under STEP THREE of this subdivision shall be allocated to and, when collected, paid to the county taxing unit that provides police or fire services in the allocation area to be used for operating or capital expenditures required for providing police and fire services in the allocation area."**

Page 47, delete lines 1 through 25.

Page 52, line 25, delete "corporation in the manner described in" and insert "**corporation.**".

Page 52, delete line 26.

Renumber all SECTIONS consecutively.

(Reference is to HB 1085 as reprinted February 17, 2023.)

CLERE

