



January 28, 2014

# HOUSE BILL No. 1266

DIGEST OF HB 1266 (Updated January 27, 2014 10:39 pm - DI 92)

**Citations Affected:** IC 5-3; IC 5-28; IC 6-1.1; IC 36-1; IC 36-4; IC 36-5; IC 36-7; IC 36-8; noncode.

**Synopsis:** Local government finance issues. Provides that public utility property tax returns shall be filed in the manner prescribed by the department of local government finance (DLGF). Allows a railroad car company to file its return by July 1 (rather than May 1). Authorizes a public utility company to file an amended return. Provides that the penalty assessed on a public utility company for filing a late return may not exceed \$1,000. Provides that if the DLGF assesses the property of a public utility company because the public utility company does not file a return, the public utility company may file a return with the DLGF and the DLGF may amend its assessment. Provides that if, after an assessment date, an exempt property is transferred or its use is changed resulting in its ineligibility for an exemption, the county assessor shall terminate the exemption for that assessment date. Specifies that if the property remains eligible for an exemption following the transfer or change in use, the exemption shall be left in place for that assessment date. Provides that for the following assessment date, the person that obtained the exemption or the current owner of the property shall file an application with the county assessor. Requires applications for certain property tax deductions to be completed and dated in the calendar year for which the taxpayer wishes to obtain the deduction and to be filed with the county auditor on or before January 5 of the immediately succeeding calendar year. Provides that a petition to correct error must be filed within three years after the  
(Continued next page)

**Effective:** Upon passage; July 1, 2014.

## Leonard

January 14, 2014, read first time and referred to Committee on Ways and Means.  
January 28, 2014, amended, reported — Do Pass.

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taxes were first due. Requires a public library that is governed by an appointed board and has a taxing district located within at least two counties to obtain, from the appropriate county, city, or town fiscal body, binding approval of the public library's budget and tax levies. (Under current law, this binding approval is required only if the public library's budget increases by more than the assessed value growth quotient.) Requires a political subdivision to submit to the DLGF information concerning the adoption of budgets and tax levies using the DLGF's computer gateway (rather than publish the information in a newspaper). Requires the DLGF to make this information available to taxpayers through its computer gateway and provide a telephone number through which taxpayers may request copies of a political subdivision's information. Specifies that for taxes due and payable in 2015 and 2016, each county shall publish a notice stating the Internet address at which the budget information is available and the telephone number through which taxpayers may request copies of a political subdivision's budget information. Allows counties to seek reimbursement from the political subdivisions in the county for the cost of the notice. Provides that if a political subdivision timely submits the budget information to the DLGF's computer gateway but subsequently discovers the information contains a typographical error, the political subdivision may request permission from the DLGF to submit amended information. Specifies the conditions under which the DLGF shall increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision. Provides that if the DLGF increases a tax levy under this provision, the DLGF shall reduce the levy for each fund affected below the maximum allowable levy by the lesser of: (1) 5% of the difference between the advertised or adopted levy and the increased levy; or (2) \$100,000. Allows DeKalb County and the town of Middlebury to borrow money to offset levy reductions made by the department of local government finance because budget and property tax levy information were not properly advertised. Eliminates the provision added in 2013 that specifies that the exemption from the property tax levy limits for property taxes to pay debt does not apply to property taxes imposed by a township to repay money borrowed under the emergency loan provisions. Specifies that the balance maintained by the provider unit of a fire protection territory may not exceed 120% of the budgeted expenses of the territory. Specifies that the requirements concerning reporting of other post employment benefits (OPEB) information to the DLGF apply only to political subdivisions that complete a comprehensive annual financial report. Requires the OPEB information to be reported not later than 30 days after OPEB analysis is completed. Specifies certain information that must be included in a redevelopment commission's annual report. Requires redevelopment commissions to hold an annual hearing at which the commission determines the amount of excess assessed value, determines the tax increment replacement amount, and presents an estimate of tax increment revenues and financial obligations for the ensuing year. Provides that a redevelopment commission may not adopt a proposed resolution to establish or enlarge a tax increment financing area in such a manner that, if the resolution were adopted: (1) the aggregate area included in tax increment financing areas within the county would exceed a percentage of the area of the county; or (2) the aggregate base assessed value included in tax increment financing areas in the unit would exceed a percentage of the assessed value of property in the county; unless each taxing unit that is located in the tax increment financing area approves the establishment or modification of the tax increment financing area by resolution.



January 28, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1266

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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 5-3-1-2, AS AMENDED BY P.L.141-2009,  
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 2. (a) This section applies only when notice of an  
4 event is required to be given by publication in accordance with this  
5 chapter.  
6 (b) If the event is a public hearing or meeting concerning any matter  
7 not specifically mentioned in subsection (c), (d), (e), (f), (g), or (h)  
8 notice shall be published one (1) time, at least ten (10) days before the  
9 date of the hearing or meeting.  
10 (c) If the event is an election, notice shall be published one (1) time,  
11 at least ten (10) days before the date of the election.  
12 (d) If the event is a sale of bonds, notes, or warrants, notice shall be  
13 published two (2) times, at least one (1) week apart, with:  
14 (1) the first publication made at least fifteen (15) days before the

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- 1           date of the sale; and  
 2           (2) the second publication made at least three (3) days before the  
 3           date of the sale.
- 4           (e) If the event is the receiving of bids, notice shall be published two  
 5           (2) times, at least one (1) week apart, with the second publication made  
 6           at least seven (7) days before the date the bids will be received.
- 7           (f) If the event is the establishment of a cumulative or sinking fund,  
 8           notice of the proposal and of the public hearing that is required to be  
 9           held by the political subdivision shall be published two (2) times, at  
 10          least one (1) week apart, with the second publication made at least  
 11          three (3) days before the date of the hearing.
- 12          (g) If the event is the submission of a proposal adopted by a political  
 13          subdivision for a cumulative or sinking fund for the approval of the  
 14          department of local government finance, the notice of the submission  
 15          shall be published one (1) time. The political subdivision shall publish  
 16          the notice when directed to do so by the department of local  
 17          government finance.
- 18          (h) If the event is the required publication of an ordinance, notice of  
 19          the passage of the ordinance shall be published one (1) time within  
 20          thirty (30) days after the passage of the ordinance.
- 21          (i) If the event is one about which notice is required to be published  
 22          after the event, notice shall be published one (1) time within thirty (30)  
 23          days after the date of the event.
- 24          (j) If the event is anything else, notice shall be published two (2)  
 25          times, at least one (1) week apart, with the second publication made at  
 26          least three (3) days before the event.
- 27          (k) If any officer charged with the duty of publishing any notice  
 28          required by law is unable to procure advertisement:  
 29                (1) at the price fixed by law;  
 30                (2) because the newspaper refuses to publish the advertisement;  
 31                or  
 32                (3) because the newspaper refuses to post the advertisement on  
 33                the newspaper's Internet web site (if required under section 1.5 of  
 34                this chapter);  
 35          it is sufficient for the officer to post printed notices in three (3)  
 36          prominent places in the political subdivision, instead of publication of  
 37          the notice in newspapers and on an Internet web site (if required under  
 38          section 1.5 of this chapter).
- 39          (†) If a notice of budget estimates for a political subdivision is  
 40          published as required in IC 6-1.1-17-3, and the published notice  
 41          contains an error due to the fault of a newspaper, the notice as  
 42          presented for publication is a valid notice under this chapter.



1 (m) Notwithstanding subsection (j); if a notice of budget estimates  
 2 for a political subdivision is published as required in IC 6-1.1-17-3; and  
 3 if the notice is not published at least ten (10) days before the date fixed  
 4 for the public hearing on the budget estimate due to the fault of a  
 5 newspaper; the notice is a valid notice under this chapter if it is  
 6 published one (1) time at least three (3) days before the hearing.

7 SECTION 2. IC 5-3-1-2.3, AS AMENDED BY P.L.169-2006,  
 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 JULY 1, 2014]: Sec. 2.3. (a) A notice published in accordance with this  
 10 chapter or any other Indiana statute is valid even though the notice  
 11 contains errors or omissions, as long as:

- 12 (1) a reasonable person would not be misled by the error or  
 13 omission; and  
 14 (2) the notice is in substantial compliance with the time and  
 15 publication requirements applicable under this chapter or any  
 16 other Indiana statute under which the notice is published.

17 (b) This subsection applies if:

- 18 (1) a county auditor publishes a notice concerning a tax rate, tax  
 19 levy, or budget of a political subdivision in the county;  
 20 (2) the notice contains an error or omission that causes the notice  
 21 to inaccurately reflect the tax rate, tax levy, or budget actually  
 22 proposed or fixed by the political subdivision; and  
 23 (3) the county auditor is responsible for the error or omission  
 24 described in subdivision (2):

25 Notwithstanding any other law, the department of local government  
 26 finance may correct an error or omission described in subdivision (2)  
 27 at any time. If an error or omission described in subdivision (2) occurs,  
 28 the county auditor must publish, at the county's expense, a notice  
 29 containing the correct tax rate, tax levy, or budget as proposed or fixed  
 30 by the political subdivision.

31 SECTION 3. IC 5-28-15-14, AS ADDED BY P.L.4-2005,  
 32 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2014]: Sec. 14. (a) A U.E.A. shall do the following:

- 34 (1) Coordinate zone development activities.  
 35 (2) Serve as a catalyst for zone development.  
 36 (3) Promote the zone to outside groups and individuals.  
 37 (4) Establish a formal line of communication with residents and  
 38 businesses in the zone.  
 39 (5) Act as a liaison between residents, businesses, the  
 40 municipality, and the board for any development activity that may  
 41 affect the zone or zone residents.

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



1 (1) Initiate and coordinate any community development activities  
 2 that aid in the employment of zone residents, improve the  
 3 physical environment, or encourage the turnover or retention of  
 4 capital in the zone. These additional activities include but are not  
 5 limited to recommending to the municipality the manner and  
 6 purpose of expenditure of funds generated under  
 7 ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(j)** or ~~IC 36-7-15.1-26(g)~~  
 8 **IC 36-7-15.1-26(h)**.

9 (2) Recommend that the board modify a zone boundary or  
 10 disqualify a zone business from eligibility for one (1) or more  
 11 benefits or incentives available to zone businesses.

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

18 (c) The U.E.A. may request, by majority vote, that the legislative  
 19 body of the municipality in which the zone is located modify or waive  
 20 any municipal ordinance or regulation that is in effect in the zone. The  
 21 legislative body may, by ordinance, waive or modify the operation of  
 22 the ordinance or regulation, if the ordinance or regulation does not  
 23 affect health (including environmental health), safety, civil rights, or  
 24 employment rights.

25 (d) The U.E.A. may request, by majority vote, that the board waive  
 26 or modify any state rule that is in effect in the zone. The board shall  
 27 review the request and may approve, modify, or reject the request.  
 28 Approval or modification by the board shall take place after review by  
 29 the appropriate state agency. A modification may include but is not  
 30 limited to establishing different compliance or reporting requirements,  
 31 timetables, or exemptions in the zone for a business or an individual,  
 32 to the extent that the modification does not adversely affect health  
 33 (including environment health), safety, employment rights, or civil  
 34 rights. An approval or a modification of a state rule by the board takes  
 35 effect upon the approval of the governor. In no case are the provisions  
 36 of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

37 SECTION 4. IC 6-1.1-8-19 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 19. (a) Each year a  
 39 public utility company shall file a statement concerning the value and  
 40 description of the property which is either owned or used by the  
 41 company on the assessment date of that year. The company shall file  
 42 this statement with the department of local government finance ~~on the~~



1 ~~form in the manner~~ prescribed by the department. The department of  
 2 local government finance may extend the due date for a statement.  
 3 Unless the department of local government finance grants an extension,  
 4 a public utility company shall file its statement for a year:

5 (1) on or before March 1st of that year unless the company is a  
 6 railroad car company; or

7 (2) on or before ~~May~~ **July** 1st of that year if the company is a  
 8 railroad car company.

9 **(b) A public utility company may, not later than sixty (60) days**  
 10 **after filing a valid and timely statement under subsection (a), file**  
 11 **an amended statement:**

12 **(1) for distribution purposes;**

13 **(2) to correct errors; or**

14 **(3) for any other reason, except:**

15 **(A) obsolescence; or**

16 **(B) the credit for railroad car maintenance and**  
 17 **improvements provided under IC 6-1.1-8.2.**

18 SECTION 5. IC 6-1.1-8-20 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20. (a) If a public utility  
 20 company does not file a statement with the department of local  
 21 government finance on or before the date prescribed under section 19  
 22 of this chapter, the company shall pay a penalty of one hundred dollars  
 23 (\$100) per day for each day that the statement is late. **However, a**  
 24 **penalty under this subsection may not exceed one thousand dollars**  
 25 **(\$1,000).**

26 (b) The department of local government finance shall notify the  
 27 attorney general if a public utility company fails to file a statement on  
 28 or before the due date. The attorney general shall then bring an action  
 29 in the name of this state to collect the penalty due under this section.

30 (c) The state auditor shall deposit amounts collected under this  
 31 section in the state treasury for credit to the state general fund.

32 SECTION 6. IC 6-1.1-8-22 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. (a) The department  
 34 of local government finance shall assess the property of a public utility  
 35 company based upon the information available to the department if the  
 36 company:

37 (1) does not file a statement which is required under section 19 of  
 38 this chapter;

39 (2) does not permit the department to examine the company's  
 40 property, books, or records; or

41 (3) does not comply with a summons issued by the department.

42 ~~An assessment which is made by the department of local government~~



1 finance under this section is final unless the company establishes that  
 2 the department committed actual fraud in making the assessment.

3 **(b) A public utility company may provide the department with**  
 4 **a statement under section 19 of this chapter not later than one (1)**  
 5 **year after the department makes the department's assessment**  
 6 **under this section. If a public utility company does so, the**  
 7 **department may amend the assessment it makes under this section**  
 8 **in reliance on the public utility company's statement filed under**  
 9 **this subsection.**

10 SECTION 7. IC 6-1.1-11-4, AS AMENDED BY P.L.173-2011,  
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2014]: Sec. 4. (a) The exemption application referred to in  
 13 section 3 of this chapter is not required if the exempt property is owned  
 14 by the United States, the state, an agency of this state, or a political  
 15 subdivision (as defined in IC 36-1-2-13). However, this subsection  
 16 applies only when the property is used, and in the case of real property  
 17 occupied, by the owner.

18 (b) The exemption application referred to in section 3 of this chapter  
 19 is not required if the exempt property is a cemetery:

20 (1) described by IC 6-1.1-2-7; or

21 (2) maintained by a township executive under IC 23-14-68.

22 (c) The exemption application referred to in section 3 of this chapter  
 23 is not required if the exempt property is owned by the bureau of motor  
 24 vehicles commission established under IC 9-15-1.

25 (d) The exemption application referred to in section 3 or 3.5 of this  
 26 chapter is not required if:

27 (1) the exempt property is:

28 (A) tangible property used for religious purposes described in  
 29 IC 6-1.1-10-21;

30 (B) tangible property owned by a church or religious society  
 31 used for educational purposes described in IC 6-1.1-10-16;

32 (C) other tangible property owned, occupied, and used by a  
 33 person for educational, literary, scientific, religious, or  
 34 charitable purposes described in IC 6-1.1-10-16; or

35 (D) other tangible property owned by a fraternity or sorority  
 36 (as defined in IC 6-1.1-10-24).

37 (2) the exemption application referred to in section 3 or 3.5 of this  
 38 chapter was filed properly at least once for a religious use under  
 39 IC 6-1.1-10-21, an educational, literary, scientific, religious, or  
 40 charitable use under IC 6-1.1-10-16, or use by a fraternity or  
 41 sorority under IC 6-1.1-10-24; and

42 (3) the property continues to meet the requirements for an





1 exemption under IC 6-1.1-10-16, IC 6-1.1-10-21, or  
2 IC 6-1.1-10-24.  
3 A change in ownership of property does not terminate an exemption of  
4 the property if after the change in ownership the property continues to  
5 meet the requirements for an exemption under IC 6-1.1-10-16;  
6 IC 6-1.1-10-21; or IC 6-1.1-10-24. However, if title to any of the real  
7 property subject to the exemption changes or any of the tangible  
8 property subject to the exemption is used for a nonexempt purpose after  
9 the date of the last properly filed exemption application, the person that  
10 obtained the exemption or the current owner of the property shall notify  
11 the county assessor for the county where the tangible property is  
12 located of the change in the year that the change occurs. The notice  
13 must be in the form prescribed by the department of local government  
14 finance. If the county assessor discovers that title to property granted  
15 an exemption described in IC 6-1.1-10-16; IC 6-1.1-10-21; or  
16 IC 6-1.1-10-24 has changed, the county assessor shall notify the  
17 persons entitled to a tax statement under IC 6-1.1-22-8.1 for the  
18 property of the change in title and indicate that the county auditor will  
19 suspend the exemption for the property until the persons provide the  
20 county assessor with an affidavit, signed under penalties of perjury, that  
21 identifies the new owners of the property and indicates that the  
22 property continues to meet the requirements for an exemption under  
23 IC 6-1.1-10-21; IC 6-1.1-10-16; or IC 6-1.1-10-24. Upon receipt of the  
24 affidavit, the county assessor shall reinstate the exemption for the years  
25 for which the exemption was suspended and each year thereafter that  
26 the property continues to meet the requirements for an exemption under  
27 IC 6-1.1-10-21; IC 6-1.1-10-16; or IC 6-1.1-10-24.  
28 (e) If, after an assessment date, an exempt property is  
29 transferred or its use is changed resulting in its ineligibility for an  
30 exemption under IC 6-1.1-10, the county assessor shall terminate  
31 the exemption for that assessment date. However, if the property  
32 remains eligible for an exemption under IC 6-1.1-10 following the  
33 transfer or change in use, the exemption shall be left in place for  
34 that assessment date. For the following assessment date, the person  
35 that obtained the exemption or the current owner of the property,  
36 as applicable, shall, under section 3 of this chapter and except as  
37 provided in this section, file a certified application in duplicate with  
38 the county assessor of the county in which the property that is the  
39 subject of the exemption is located. In all cases, the person that  
40 obtained the exemption or the current owner of the property shall  
41 notify the county assessor for the county where the tangible  
42 property is located of the change in ownership or use in the year



1 that the change occurs. The notice must be in the form prescribed  
2 by the department of local government finance.

3 (f) If the county assessor discovers that title to or use of  
4 property granted an exemption under IC 6-1.1-10 has changed, the  
5 county assessor shall notify the persons entitled to a tax statement  
6 under IC 6-1.1-22-8.1 for the property of the change in title or use  
7 and indicate that the county auditor will suspend the exemption for  
8 the property until the persons provide the county assessor with an  
9 affidavit, signed under penalties of perjury, that identifies the new  
10 owners or use of the property and indicates whether the property  
11 continues to meet the requirements for an exemption under  
12 IC 6-1.1-10. Upon receipt of the affidavit, the county assessor shall  
13 reinstate the exemption under IC 6-1.1-15-12. However, a claim  
14 under IC 6-1.1-26-1 for a refund of all or a part of a tax installment  
15 paid and any correction of error under IC 6-1.1-15-12 must be filed  
16 not later than three (3) years after the taxes are first due.

17 SECTION 8. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008,  
18 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 UPON PASSAGE]: Sec. 10.1. (a) Except as provided in section 17.8  
20 of this chapter and subject to section 45 of this chapter, an individual  
21 who desires to claim the deduction provided by section 9 of this  
22 chapter must file a sworn statement, on forms prescribed by the  
23 department of local government finance, with the auditor of the county  
24 in which the real property, mobile home, or manufactured home is  
25 located. With respect to real property, the statement must be filed  
26 during the year for which the individual wishes to obtain the deduction:  
27 **completed and dated in the calendar year for which the individual**  
28 **wishes to obtain the deduction and filed with the county auditor on**  
29 **or before January 5 of the immediately succeeding calendar year.**  
30 With respect to a mobile home that is not assessed as real property or  
31 a manufactured home that is not assessed as real property, the  
32 statement must be filed during the twelve (12) months before March 31  
33 of each year for which the individual wishes to obtain the deduction.  
34 The statement may be filed in person or by mail. If mailed, the mailing  
35 must be postmarked on or before the last day for filing.

36 (b) The statement referred to in subsection (a) shall be in affidavit  
37 form or require verification under penalties of perjury. The statement  
38 must be filed in duplicate if the applicant owns, or is buying under a  
39 contract, real property, a mobile home, or a manufactured home subject  
40 to assessment in more than one (1) county or in more than one (1)  
41 taxing district in the same county. The statement shall contain:

42 (1) the source and exact amount of gross income received by the



- 1 individual and the individual's spouse during the preceding  
 2 calendar year;  
 3 (2) the description and assessed value of the real property, mobile  
 4 home, or manufactured home;  
 5 (3) the individual's full name and complete residence address;  
 6 (4) the record number and page where the contract or  
 7 memorandum of the contract is recorded if the individual is  
 8 buying the real property, mobile home, or manufactured home on  
 9 contract; and  
 10 (5) any additional information which the department of local  
 11 government finance may require.

12 (c) In order to substantiate the deduction statement, the applicant  
 13 shall submit for inspection by the county auditor a copy of the  
 14 applicant's and a copy of the applicant's spouse's income tax returns for  
 15 the preceding calendar year. If either was not required to file an income  
 16 tax return, the applicant shall subscribe to that fact in the deduction  
 17 statement.

18 SECTION 9. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009,  
 19 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 20 UPON PASSAGE]: Sec. 12. (a) Except as provided in section 17.8 of  
 21 this chapter and subject to section 45 of this chapter, a person who  
 22 desires to claim the deduction provided in section 11 of this chapter  
 23 must file an application, on forms prescribed by the department of local  
 24 government finance, with the auditor of the county in which the real  
 25 property, mobile home not assessed as real property, or manufactured  
 26 home not assessed as real property is located. With respect to real  
 27 property, the application must be ~~filed during the year for which the~~  
 28 ~~individual wishes to obtain the deduction:~~ **completed and dated in the**  
 29 **calendar year for which the person wishes to obtain the deduction**  
 30 **and filed with the county auditor on or before January 5 of the**  
 31 **immediately succeeding calendar year.** With respect to a mobile  
 32 home that is not assessed as real property or a manufactured home that  
 33 is not assessed as real property, the application must be filed during the  
 34 twelve (12) months before March 31 of each year for which the  
 35 individual wishes to obtain the deduction. The application may be filed  
 36 in person or by mail. If mailed, the mailing must be postmarked on or  
 37 before the last day for filing.

- 38 (b) Proof of blindness may be supported by:  
 39 (1) the records of the division of family resources or the division  
 40 of disability and rehabilitative services; or  
 41 (2) the written statement of a physician who is licensed by this  
 42 state and skilled in the diseases of the eye or of a licensed



1 optometrist.

2 (c) The application required by this section must contain the record  
3 number and page where the contract or memorandum of the contract  
4 is recorded if the individual is buying the real property, mobile home,  
5 or manufactured home on a contract that provides that the individual  
6 is to pay property taxes on the real property, mobile home, or  
7 manufactured home.

8 SECTION 10. IC 6-1.1-12-15, AS AMENDED BY  
9 P.L.293-2013(ts), SECTION 3, IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as  
11 provided in section 17.8 of this chapter and subject to section 45 of this  
12 chapter, an individual who desires to claim the deduction provided by  
13 section 13 or 14 of this chapter must file a statement with the auditor  
14 of the county in which the individual resides. With respect to real  
15 property, the statement must be ~~filed during the year for which the~~  
16 ~~individual wishes to obtain the deduction.~~ **completed and dated in the**  
17 **calendar year for which the individual wishes to obtain the**  
18 **deduction and filed with the county auditor on or before January**  
19 **5 of the immediately succeeding calendar year.** With respect to a  
20 mobile home that is not assessed as real property or a manufactured  
21 home that is not assessed as real property, the statement must be filed  
22 during the twelve (12) months before March 31 of each year for which  
23 the individual wishes to obtain the deduction. The statement may be  
24 filed in person or by mail. If mailed, the mailing must be postmarked  
25 on or before the last day for filing. The statement shall contain a sworn  
26 declaration that the individual is entitled to the deduction.

27 (b) In addition to the statement, the individual shall submit to the  
28 county auditor for the auditor's inspection:

29 (1) a pension certificate, an award of compensation, or a disability  
30 compensation check issued by the United States Department of  
31 Veterans Affairs if the individual claims the deduction provided  
32 by section 13 of this chapter;

33 (2) a pension certificate or an award of compensation issued by  
34 the United States Department of Veterans Affairs if the individual  
35 claims the deduction provided by section 14 of this chapter; or

36 (3) the appropriate certificate of eligibility issued to the individual  
37 by the Indiana department of veterans' affairs if the individual  
38 claims the deduction provided by section 13 or 14 of this chapter.

39 (c) If the individual claiming the deduction is under guardianship,  
40 the guardian shall file the statement required by this section. If a  
41 deceased veteran's surviving spouse is claiming the deduction, the  
42 surviving spouse shall provide the documentation necessary to



1 establish that at the time of death the deceased veteran satisfied the  
 2 requirements of section 13(a)(1) through 13(a)(4) of this chapter or  
 3 section 14(a)(1) through 14(a)(4) of this chapter, whichever applies.

4 (d) If the individual claiming a deduction under section 13 or 14 of  
 5 this chapter is buying real property, a mobile home not assessed as real  
 6 property, or a manufactured home not assessed as real property under  
 7 a contract that provides that the individual is to pay property taxes for  
 8 the real estate, mobile home, or manufactured home, the statement  
 9 required by this section must contain the record number and page  
 10 where the contract or memorandum of the contract is recorded.

11 SECTION 11. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008,  
 12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this  
 14 chapter and subject to section 45 of this chapter, a surviving spouse  
 15 who desires to claim the deduction provided by section 16 of this  
 16 chapter must file a statement with the auditor of the county in which  
 17 the surviving spouse resides. With respect to real property, the  
 18 statement must be ~~filed during the year for which the surviving spouse~~  
 19 ~~wishes to obtain the deduction.~~ **completed and dated in the calendar**  
 20 **year for which the person wishes to obtain the deduction and filed**  
 21 **with the county auditor on or before January 5 of the immediately**  
 22 **succeeding calendar year.** With respect to a mobile home that is not  
 23 assessed as real property or a manufactured home that is not assessed  
 24 as real property, the statement must be filed during the twelve (12)  
 25 months before March 31 of each year for which the individual wishes  
 26 to obtain the deduction. The statement may be filed in person or by  
 27 mail. If mailed, the mailing must be postmarked on or before the last  
 28 day for filing. The statement shall contain:

29 (1) a sworn statement that the surviving spouse is entitled to the  
 30 deduction; and

31 (2) the record number and page where the contract or  
 32 memorandum of the contract is recorded, if the individual is  
 33 buying the real property on a contract that provides that the  
 34 individual is to pay property taxes on the real property.

35 In addition to the statement, the surviving spouse shall submit to the  
 36 county auditor for the auditor's inspection a letter or certificate from the  
 37 United States Department of Veterans Affairs establishing the service  
 38 of the deceased spouse in the military or naval forces of the United  
 39 States before November 12, 1918.

40 SECTION 12. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008,  
 41 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 42 UPON PASSAGE]: Sec. 17.5. (a) Except as provided in section 17.8



1 of this chapter and subject to section 45 of this chapter, a veteran who  
 2 desires to claim the deduction provided in section 17.4 of this chapter  
 3 must file a sworn statement, on forms prescribed by the department of  
 4 local government finance, with the auditor of the county in which the  
 5 real property, mobile home, or manufactured home is assessed. With  
 6 respect to real property, the veteran must ~~file the statement during the~~  
 7 ~~year for which the veteran wishes to obtain the deduction:~~ **complete**  
 8 **and date the statement in the calendar year for which the veteran**  
 9 **wishes to obtain the deduction and file the statement with the**  
 10 **county auditor on or before January 5 of the immediately**  
 11 **succeeding calendar year.** With respect to a mobile home that is not  
 12 assessed as real property or a manufactured home that is not assessed  
 13 as real property, the statement must be filed during the twelve (12)  
 14 months before March 31 of each year for which the individual wishes  
 15 to obtain the deduction. The statement may be filed in person or by  
 16 mail. If mailed, the mailing must be postmarked on or before the last  
 17 day for filing.

18 (b) The statement required under this section shall be in affidavit  
 19 form or require verification under penalties of perjury. The statement  
 20 shall be filed in duplicate if the veteran has, or is buying under a  
 21 contract, real property in more than one (1) county or in more than one  
 22 (1) taxing district in the same county. The statement shall contain:

- 23 (1) a description and the assessed value of the real property,  
 24 mobile home, or manufactured home;
- 25 (2) the veteran's full name and complete residence address;
- 26 (3) the record number and page where the contract or  
 27 memorandum of the contract is recorded, if the individual is  
 28 buying the real property, mobile home, or manufactured home on  
 29 a contract that provides that the individual is to pay property taxes  
 30 on the real property, mobile home, or manufactured home; and
- 31 (4) any additional information which the department of local  
 32 government finance may require.

33 SECTION 13. IC 6-1.1-12-27.1, AS AMENDED BY P.L.137-2012,  
 34 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 UPON PASSAGE]: Sec. 27.1. Except as provided in sections 36 and  
 36 44 of this chapter and subject to section 45 of this chapter, a person  
 37 who desires to claim the deduction provided by section 26 or 26.1 of  
 38 this chapter must file a certified statement in duplicate, on forms  
 39 prescribed by the department of local government finance, with the  
 40 auditor of the county in which the real property, mobile home,  
 41 manufactured home, or solar power device is subject to assessment.  
 42 With respect to real property or a solar power device that is assessed as



1 distributable property under IC 6-1.1-8 or as personal property, the  
 2 person must ~~file the statement during the year for which the person~~  
 3 ~~desires to obtain the deduction.~~ **complete and date the certified**  
 4 **statement in the calendar year for which the person wishes to**  
 5 **obtain the deduction and file the certified statement with the**  
 6 **county auditor on or before January 5 of the immediately**  
 7 **succeeding calendar year.** Except as provided in sections 36 and 44  
 8 of this chapter and subject to section 45 of this chapter, with respect to  
 9 a mobile home which is not assessed as real property, the person must  
 10 file the statement during the twelve (12) months before March 31 of  
 11 each year for which the person desires to obtain the deduction. The  
 12 person must:

- 13 (1) own the real property, mobile home, or manufactured home or
- 14 own the solar power device;
- 15 (2) be buying the real property, mobile home, manufactured
- 16 home, or solar power device under contract; or
- 17 (3) be leasing the real property from the real property owner and
- 18 be subject to assessment and property taxation with respect to the
- 19 solar power device;

20 on the date the statement is filed under this section. The statement may  
 21 be filed in person or by mail. If mailed, the mailing must be postmarked  
 22 on or before the last day for filing. On verification of the statement by  
 23 the assessor of the township in which the real property, mobile home,  
 24 manufactured home, or solar power device is subject to assessment, or  
 25 the county assessor if there is no township assessor for the township,  
 26 the county auditor shall allow the deduction.

27 SECTION 14. IC 6-1.1-12-30, AS AMENDED BY P.L.1-2009,  
 28 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 UPON PASSAGE]: Sec. 30. Except as provided in sections 36 and 44  
 30 of this chapter and subject to section 45 of this chapter, a person who  
 31 desires to claim the deduction provided by section 29 of this chapter  
 32 must file a certified statement in duplicate, on forms prescribed by the  
 33 department of local government finance, with the auditor of the county  
 34 in which the real property or mobile home is subject to assessment.  
 35 With respect to real property, the person must ~~file the statement during~~  
 36 ~~the year for which the person desires to obtain the deduction.~~ **complete**  
 37 **and date the statement in the calendar year for which the person**  
 38 **desires to obtain the deduction and file the statement with the**  
 39 **county auditor on or before January 5 of the immediately**  
 40 **succeeding calendar year.** With respect to a mobile home which is not  
 41 assessed as real property, the person must file the statement during the  
 42 twelve (12) months before March 31 of each year for which the person



1 desires to obtain the deduction. The person must:

2 (1) own the real property, mobile home, or manufactured home;

3 or

4 (2) be buying the real property, mobile home, or manufactured  
5 home under contract;

6 on the date the statement is filed under this section. On verification of  
7 the statement by the assessor of the township in which the real property  
8 or mobile home is subject to assessment, or the county assessor if there  
9 is no township assessor for the township, the county auditor shall allow  
10 the deduction.

11 SECTION 15. IC 6-1.1-12-35.5, AS AMENDED BY P.L.1-2009,  
12 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 UPON PASSAGE]: Sec. 35.5. (a) Except as provided in section 36 or  
14 44 of this chapter and subject to section 45 of this chapter, a person  
15 who desires to claim the deduction provided by section 31, 33, 34, or  
16 34.5 of this chapter must file a certified statement in duplicate, on  
17 forms prescribed by the department of local government finance and  
18 proof of certification under subsection (b) or (f) with the auditor of the  
19 county in which the property for which the deduction is claimed is  
20 subject to assessment. Except as provided in subsection (e), with  
21 respect to property that is not assessed under IC 6-1.1-7, the person  
22 must file the statement during the year for which the person wishes to  
23 obtain the deduction. The person must file the statement in each year  
24 for which the person desires to obtain the deduction. **complete and**  
25 **date the certified statement in the calendar year for which the**  
26 **person wishes to obtain the deduction and file the certified**  
27 **statement with the county auditor on or before January 5 of the**  
28 **immediately succeeding calendar year.** With respect to a property  
29 which is assessed under IC 6-1.1-7, the person must file the statement  
30 during the twelve (12) months before March 31 of each year for which  
31 the person desires to obtain the deduction. The statement may be filed  
32 in person or by mail. If mailed, the mailing must be postmarked on or  
33 before the last day for filing. On verification of the statement by the  
34 assessor of the township in which the property for which the deduction  
35 is claimed is subject to assessment, or the county assessor if there is no  
36 township assessor for the township, the county auditor shall allow the  
37 deduction.

38 (b) This subsection does not apply to an application for a deduction  
39 under section 34.5 of this chapter. The department of environmental  
40 management, upon application by a property owner, shall determine  
41 whether a system or device qualifies for a deduction provided by  
42 section 31, 33, or 34 of this chapter. If the department determines that





1 a system or device qualifies for a deduction, it shall certify the system  
 2 or device and provide proof of the certification to the property owner.  
 3 The department shall prescribe the form and manner of the certification  
 4 process required by this subsection.

5 (c) This subsection does not apply to an application for a deduction  
 6 under section 34.5 of this chapter. If the department of environmental  
 7 management receives an application for certification, the department  
 8 shall determine whether the system or device qualifies for a deduction.  
 9 If the department fails to make a determination under this subsection  
 10 before December 31 of the year in which the application is received,  
 11 the system or device is considered certified.

12 (d) A denial of a deduction claimed under section 31, 33, 34, or 34.5  
 13 of this chapter may be appealed as provided in IC 6-1.1-15. The appeal  
 14 is limited to a review of a determination made by the township assessor  
 15 county property tax assessment board of appeals, or department of local  
 16 government finance.

17 (e) A person who timely files a personal property return under  
 18 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the  
 19 deduction provided in section 31 of this chapter for property that is not  
 20 assessed under IC 6-1.1-7 must file the statement described in  
 21 subsection (a) during the year in which the personal property return is  
 22 filed.

23 (f) This subsection applies only to an application for a deduction  
 24 under section 34.5 of this chapter. The center for coal technology  
 25 research established by IC 21-47-4-1, upon receiving an application  
 26 from the owner of a building, shall determine whether the building  
 27 qualifies for a deduction under section 34.5 of this chapter. If the center  
 28 determines that a building qualifies for a deduction, the center shall  
 29 certify the building and provide proof of the certification to the owner  
 30 of the building. The center shall prescribe the form and procedure for  
 31 certification of buildings under this subsection. If the center receives  
 32 an application for certification of a building under section 34.5 of this  
 33 chapter:

34 (1) the center shall determine whether the building qualifies for  
 35 a deduction; and

36 (2) if the center fails to make a determination before December 31  
 37 of the year in which the application is received, the building is  
 38 considered certified.

39 SECTION 16. IC 6-1.1-12-38, AS AMENDED BY P.L.1-2009,  
 40 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 UPON PASSAGE]: Sec. 38. (a) A person is entitled to a deduction  
 42 from the assessed value of the person's property in an amount equal to



- 1 the difference between:
- 2 (1) the assessed value of the person's property, including the
- 3 assessed value of the improvements made to comply with the
- 4 fertilizer storage rules adopted by the state chemist under
- 5 IC 15-16-2-44 and the pesticide storage rules adopted by the state
- 6 chemist under IC 15-16-4-52; minus
- 7 (2) the assessed value of the person's property, excluding the
- 8 assessed value of the improvements made to comply with the
- 9 fertilizer storage rules adopted by the state chemist under
- 10 IC 15-16-2-44 and the pesticide storage rules adopted by the state
- 11 chemist under IC 15-16-4-52.
- 12 (b) To obtain the deduction under this section, a person must file a
- 13 certified statement in duplicate, on forms prescribed by the department
- 14 of local government finance, with the auditor of the county in which the
- 15 property is subject to assessment. In addition to the certified statement,
- 16 the person must file a certification by the state chemist listing the
- 17 improvements that were made to comply with the fertilizer storage
- 18 rules adopted under IC 15-16-2-44 and the pesticide storage rules
- 19 adopted by the state chemist under IC 15-16-4-52. Subject to section
- 20 45 of this chapter, the statement ~~and certification must be filed during~~
- 21 ~~the year preceding the year the deduction will first be applied.~~ **must be**
- 22 **completed and dated in the calendar year for which the person**
- 23 **wishes to obtain the deduction, and the statement and certification**
- 24 **must be filed with the county auditor on or before January 5 of the**
- 25 **immediately succeeding calendar year.** Upon the verification of the
- 26 statement and certification by the assessor of the township in which the
- 27 property is subject to assessment, or the county assessor if there is no
- 28 township assessor for the township, the county auditor shall allow the
- 29 deduction.
- 30 (c) The deduction provided by this section applies only if the
- 31 person:
- 32 (1) owns the property; or
- 33 (2) is buying the property under contract;
- 34 on the assessment date for which the deduction applies.
- 35 SECTION 17. IC 6-1.1-12-45, AS ADDED BY P.L.144-2008,
- 36 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 37 UPON PASSAGE]: Sec. 45. (a) Subject to subsections (b) and (c), a
- 38 deduction under this chapter applies for an assessment date and for the
- 39 property taxes due and payable based on the assessment for that
- 40 assessment date, regardless of whether with respect to the real property
- 41 or mobile home or manufactured home not assessed as real property:
- 42 (1) the title is conveyed one (1) or more times; or



1 (2) one (1) or more contracts to purchase are entered into;  
 2 after that assessment date and on or before the next succeeding  
 3 assessment date.

4 (b) Subsection (a) applies

5 ~~(1)~~ only if the title holder or the contract buyer on that next  
 6 succeeding assessment date is eligible for the deduction for that  
 7 next succeeding assessment date; and

8 ~~(2)~~ regardless of whether:

9 ~~(A)~~ (1) one (1) or more grantees of title under subsection (a)(1);  
 10 or

11 ~~(B)~~ (2) one (1) or more contract purchasers under subsection  
 12 (a)(2);

13 ~~files file~~ a statement under this chapter to claim the deduction.

14 (c) A deduction applies under subsection (a) for only one (1) year.  
 15 The requirements of this chapter for filing a statement to apply for a  
 16 deduction under this chapter apply to subsequent years.

17 (d) If:

18 (1) a statement is filed under this chapter in a calendar year to  
 19 claim a deduction under this chapter with respect to real property;  
 20 and

21 (2) the eligibility criteria for the deduction are met;  
 22 the deduction applies for the assessment date in that calendar year and  
 23 for the property taxes due and payable based on the assessment for that  
 24 assessment date.

25 (e) If:

26 (1) a statement is filed under this chapter in a twelve (12) month  
 27 filing period designated under this chapter to claim a deduction  
 28 under this chapter with respect to a mobile home or a  
 29 manufactured home not assessed as real property; and

30 (2) the eligibility criteria for the deduction are met;  
 31 the deduction applies for the assessment date in that twelve (12) month  
 32 period and for the property taxes due and payable based on the  
 33 assessment for that assessment date.

34 SECTION 18. IC 6-1.1-12.6-3, AS ADDED BY P.L.70-2008,  
 35 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2014]: Sec. 3. (a) A property owner that qualifies for the  
 37 deduction under this chapter **and that desires to receive the**  
 38 **deduction** must ~~file a statement containing the information required by~~  
 39 ~~subsection (b) with the county auditor to claim the deduction for each~~  
 40 ~~assessment date for which the property owner wishes to receive the~~  
 41 ~~deduction complete and date a statement containing the~~  
 42 **information required by subsection (b) in the calendar year for**



1 **which the person desires to obtain the deduction and file the**  
 2 **statement with the county auditor on or before January 5 of the**  
 3 **immediately succeeding calendar year**, in the manner prescribed in  
 4 rules adopted under section 9 of this chapter. The township assessor  
 5 shall verify each statement filed under this section, and the county  
 6 auditor shall:

- 7 (1) make the deductions; and  
 8 (2) notify the county property tax assessment board of appeals of  
 9 all deductions approved;

10 under this section.

11 (b) The statement referred to in subsection (a) must be verified  
 12 under penalties for perjury and must contain the following information:

- 13 (1) The assessed value of the real property for which the person  
 14 is claiming the deduction.  
 15 (2) The full name and complete business address of the person  
 16 claiming the deduction.  
 17 (3) The complete address and a brief description of the real  
 18 property for which the person is claiming the deduction.  
 19 (4) The name of any other county in which the person has applied  
 20 for a deduction under this chapter for that assessment date.  
 21 (5) The complete address and a brief description of any other real  
 22 property for which the person has applied for a deduction under  
 23 this chapter for that assessment date.

24 SECTION 19. IC 6-1.1-12.8-4, AS ADDED BY P.L.175-2011,  
 25 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JULY 1, 2014]: Sec. 4. (a) A property owner that qualifies for the  
 27 deduction under this chapter **and that desires to receive the**  
 28 **deduction** must ~~file a statement containing the information required by~~  
 29 ~~subsection (b) with the county auditor to claim the deduction for each~~  
 30 ~~assessment date for which the property owner wishes to receive the~~  
 31 ~~deduction~~ **complete and date a statement containing the**  
 32 **information required by subsection (b) in the calendar year for**  
 33 **which the person desires to obtain the deduction and file the**  
 34 **statement with the county auditor on or before January 5 of the**  
 35 **immediately succeeding calendar year**, in the manner prescribed in  
 36 rules adopted under section 8 of this chapter. The township assessor,  
 37 or the county assessor if there is no township assessor for the township,  
 38 shall verify each statement filed under this section, and the county  
 39 auditor shall:

- 40 (1) make the deductions; and  
 41 (2) notify the county property tax assessment board of appeals of  
 42 all deductions approved;

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- 1 under this section.
- 2 (b) The statement referred to in subsection (a) must be verified
- 3 under penalties for perjury and must contain the following information:
- 4 (1) The assessed value of the real property for which the person
- 5 is claiming the deduction.
- 6 (2) The full name and complete business address of the person
- 7 claiming the deduction.
- 8 (3) The complete address and a brief description of the real
- 9 property for which the person is claiming the deduction.
- 10 (4) The name of any other county in which the person has applied
- 11 for a deduction under this chapter for that assessment date.
- 12 (5) The complete address and a brief description of any other real
- 13 property for which the person has applied for a deduction under
- 14 this chapter for that assessment date.
- 15 (6) An affirmation by the owner that the owner is receiving not
- 16 more than three (3) deductions under this chapter, including the
- 17 deduction being applied for by the owner, either:
- 18 (A) as the owner of the residence in inventory; or
- 19 (B) as an owner that is part of an affiliated group.
- 20 (7) An affirmation that the real property has not been leased and
- 21 will not be leased for any purpose during the term of the
- 22 deduction.
- 23 SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011,
- 24 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 25 UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in
- 26 subsections (c), ~~and~~ (d), **and (i)**, a county auditor shall correct errors
- 27 which are discovered in the tax duplicate for any one (1) or more of the
- 28 following reasons:
- 29 (1) The description of the real property was in error.
- 30 (2) The assessment was against the wrong person.
- 31 (3) Taxes on the same property were charged more than one (1)
- 32 time in the same year.
- 33 (4) There was a mathematical error in computing the taxes or
- 34 penalties on the taxes.
- 35 (5) There was an error in carrying delinquent taxes forward from
- 36 one (1) tax duplicate to another.
- 37 (6) The taxes, as a matter of law, were illegal.
- 38 (7) There was a mathematical error in computing an assessment.
- 39 (8) Through an error of omission by any state or county officer,
- 40 the taxpayer was not given:
- 41 (A) the proper credit under IC 6-1.1-20.6-7.5 for property
- 42 taxes imposed for an assessment date after January 15, 2011;



- 1 (B) any other credit permitted by law;  
 2 (C) an exemption permitted by law; or  
 3 (D) a deduction permitted by law.
- 4 (b) **Subject to subsection (i)**, the county auditor shall correct an  
 5 error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5)  
 6 when the county auditor finds that the error exists.
- 7 (c) If the tax is based on an assessment made or determined by the  
 8 department of local government finance, the county auditor shall not  
 9 correct an error described under subsection (a)(6), (a)(7), or (a)(8) until  
 10 after the correction is either approved by the department of local  
 11 government finance or ordered by the tax court.
- 12 (d) If the tax is not based on an assessment made or determined by  
 13 the department of local government finance, the county auditor shall  
 14 correct an error described under subsection (a)(6), (a)(7), or (a)(8) only  
 15 if the correction is first approved by at least two (2) of the following  
 16 officials:  
 17 (1) The township assessor (if any).  
 18 (2) The county auditor.  
 19 (3) The county assessor.
- 20 If two (2) of these officials do not approve such a correction, the county  
 21 auditor shall refer the matter to the county board for determination. The  
 22 county board shall provide a copy of the determination to the taxpayer  
 23 and to the county auditor.
- 24 (e) A taxpayer may appeal a determination of the county board to  
 25 the Indiana board for a final administrative determination. An appeal  
 26 under this section shall be conducted in the same manner as appeals  
 27 under sections 4 through 8 of this chapter. The Indiana board shall send  
 28 the final administrative determination to the taxpayer, the county  
 29 auditor, the county assessor, and the township assessor (if any).
- 30 (f) If a correction or change is made in the tax duplicate after it is  
 31 delivered to the county treasurer, the county auditor shall transmit a  
 32 certificate of correction to the county treasurer. The county treasurer  
 33 shall keep the certificate as the voucher for settlement with the county  
 34 auditor.
- 35 (g) A taxpayer that files a personal property tax return under  
 36 IC 6-1.1-3 may not petition under this section for the correction of an  
 37 error made by the taxpayer on the taxpayer's personal property tax  
 38 return. If the taxpayer wishes to correct an error made by the taxpayer  
 39 on the taxpayer's personal property tax return, the taxpayer must  
 40 instead file an amended personal property tax return under  
 41 IC 6-1.1-3-7.5.
- 42 (h) A taxpayer that files a statement under IC 6-1.1-8-19 may not



1 petition under this section for the correction of an error made by the  
 2 taxpayer on the taxpayer's statement. If the taxpayer wishes to correct  
 3 an error made by the taxpayer on the taxpayer's statement, the taxpayer  
 4 must instead initiate an objection under IC 6-1.1-8-28 or an appeal  
 5 under IC 6-1.1-8-30.

6 **(i) A taxpayer is not entitled to relief under this section unless**  
 7 **the taxpayer files a petition to correct an error:**

8 **(1) with the auditor of the county in which the taxes were**  
 9 **originally paid; and**

10 **(2) within three (3) years after the taxes were first due.**

11 SECTION 21. IC 6-1.1-17-3, AS AMENDED BY P.L.137-2012,  
 12 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2014]: Sec. 3. (a) The proper officers of a political subdivision  
 14 shall formulate its estimated budget and its proposed tax rate and tax  
 15 levy on the form prescribed by the department of local government  
 16 finance and approved by the state board of accounts. The political  
 17 subdivision or appropriate fiscal body, if the political subdivision is  
 18 subject to section 20 of this chapter, shall give notice by publication to  
 19 taxpayers of:

20 (1) the estimated budget;

21 (2) the estimated maximum permissible levy;

22 (3) the current and proposed tax levies of each fund; and

23 (4) the amounts of excessive levy appeals to be requested.

24 The political subdivision or appropriate fiscal body shall also state the  
 25 time and place at which the political subdivision or appropriate fiscal  
 26 body will hold a public hearing on these items. The political  
 27 subdivision or appropriate fiscal body shall ~~publish the notice twice in~~  
 28 ~~accordance with IC 5-3-1 with the first publication at least ten (10)~~  
 29 ~~days before the date fixed for the public hearing. The first publication~~  
 30 ~~must be before September 14, and the second publication must be~~  
 31 ~~before September 21 of the year. The political subdivision shall pay for~~  
 32 ~~the publishing of the notice. submit this information to the~~  
 33 ~~department's computer gateway before September 14 of each year~~  
 34 ~~in the manner prescribed by the department. The department shall~~  
 35 ~~make this information available to taxpayers through its computer~~  
 36 ~~gateway and provide a telephone number through which taxpayers~~  
 37 ~~may request copies of a political subdivision's information under~~  
 38 ~~this subsection. The department's computer gateway must allow a~~  
 39 ~~taxpayer to search for the information under this subsection by the~~  
 40 ~~taxpayer's address.~~

41 **(b) For taxes due and payable in 2015 and 2016, each county**  
 42 **shall publish a notice in accordance with IC 5-3-1 in two (2)**



1 newspapers published in the county stating the Internet address at  
 2 which the information under subsection (a) is available and the  
 3 telephone number through which taxpayers may request copies of  
 4 a political subdivision's information under subsection (a). If only  
 5 one (1) newspaper is published in the county, publication in that  
 6 newspaper is sufficient. The department of local government  
 7 finance shall prescribe the notice. Notice under this subsection  
 8 shall be published before September 14. Counties may seek  
 9 reimbursement from the political subdivisions within their legal  
 10 boundaries for the cost of the notice required under this  
 11 subsection. The actions under this subsection shall be completed in  
 12 the manner prescribed by the department.

13 ~~(b)~~ (c) The board of directors of a solid waste management district  
 14 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
 15 conduct the public hearing required under subsection (a):

- 16 (1) in any county of the solid waste management district; and
- 17 (2) in accordance with the annual notice of meetings published  
 18 under IC 13-21-5-2.

19 ~~(c)~~ (d) The trustee of each township in the county shall estimate the  
 20 amount necessary to meet the cost of township assistance in the  
 21 township for the ensuing calendar year. The township board shall adopt  
 22 with the township budget a tax rate sufficient to meet the estimated cost  
 23 of township assistance. The taxes collected as a result of the tax rate  
 24 adopted under this subsection are credited to the township assistance  
 25 fund.

26 (e) A political subdivision for which any of the information  
 27 under subsection (a) is not submitted to the department's computer  
 28 gateway in the manner prescribed by the department shall have its  
 29 most recent annual appropriations and annual tax levy continued  
 30 for the ensuing budget year.

31 (f) If a political subdivision or appropriate fiscal body timely  
 32 submits the information under subsection (a) but subsequently  
 33 discovers the information contains a typographical error, the  
 34 political subdivision or appropriate fiscal body may request  
 35 permission from the department to submit amended information  
 36 to the department's computer gateway. However, such a request  
 37 must occur not later than seven (7) days before the public hearing  
 38 held under subsection (a). Acknowledgment of the correction of an  
 39 error shall be posted on the department's computer gateway and  
 40 communicated by the political subdivision or appropriate fiscal  
 41 body to the fiscal body of the county in which the political  
 42 subdivision and appropriate fiscal body are located.





1 SECTION 22. IC 6-1.1-17-16, AS AMENDED BY P.L.218-2013,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 16. (a) Subject to the limitations and requirements  
4 prescribed in this section, the department of local government finance  
5 may revise, reduce, or increase a political subdivision's budget by fund,  
6 tax rate, or tax levy which the department reviews under section 8 or  
7 10 of this chapter.

8 (b) Subject to the limitations and requirements prescribed in this  
9 section, the department of local government finance may review,  
10 revise, reduce, or increase the budget by fund, tax rate, or tax levy of  
11 any of the political subdivisions whose tax rates compose the aggregate  
12 tax rate within a political subdivision whose budget, tax rate, or tax  
13 levy is the subject of an appeal initiated under this chapter.

14 (c) Except as provided in section 16.1 of this chapter, the  
15 department of local government finance is not required to hold a public  
16 hearing before the department of local government finance reviews,  
17 revises, reduces, or increases a political subdivision's budget by fund,  
18 tax rate, or tax levy under this section.

19 (d) Except as provided in subsection (i), IC 20-46, or IC 6-1.1-18.5,  
20 the department of local government finance may not increase a political  
21 subdivision's budget by fund, tax rate, or tax levy to an amount which  
22 exceeds the amount originally fixed by the political subdivision.  
23 However, if the department of local government finance determines  
24 that IC 5-3-1-2.3(b) applies to the tax rate, tax levy, or budget of the  
25 political subdivision, the maximum amount by which the department  
26 may increase the tax rate, tax levy, or budget is the amount originally  
27 fixed by the political subdivision, and not the amount that was  
28 incorrectly published or omitted in the notice described in  
29 IC 5-3-1-2.3(b). The department of local government finance shall give  
30 the political subdivision notification electronically in the manner  
31 prescribed by the department of local government finance specifying  
32 any revision, reduction, or increase the department proposes in a  
33 political subdivision's tax levy or tax rate. The political subdivision has  
34 ten (10) calendar days from the date the political subdivision receives  
35 the notice to provide a response electronically in the manner prescribed  
36 by the department of local government finance. The response may  
37 include budget reductions, reallocation of levies, a revision in the  
38 amount of miscellaneous revenues, and further review of any other  
39 item about which, in the view of the political subdivision, the  
40 department is in error. The department of local government finance  
41 shall consider the adjustments as specified in the political subdivision's  
42 response if the response is provided as required by this subsection and



- 1 shall deliver a final decision to the political subdivision.
- 2 (e) The department of local government finance may not approve a  
3 levy for lease payments by a city, town, county, library, or school  
4 corporation if the lease payments are payable to a building corporation  
5 for use by the building corporation for debt service on bonds and if:  
6 (1) no bonds of the building corporation are outstanding; or  
7 (2) the building corporation has enough legally available funds on  
8 hand to redeem all outstanding bonds payable from the particular  
9 lease rental levy requested.
- 10 (f) The department of local government finance shall certify its  
11 action to:  
12 (1) the county auditor;  
13 (2) the political subdivision if the department acts pursuant to an  
14 appeal initiated by the political subdivision;  
15 (3) the taxpayer that initiated an appeal under section 13 of this  
16 chapter, or, if the appeal was initiated by multiple taxpayers, the  
17 first ten (10) taxpayers whose names appear on the statement filed  
18 to initiate the appeal; and  
19 (4) a taxpayer that owns property that represents at least ten  
20 percent (10%) of the taxable assessed valuation in the political  
21 subdivision.
- 22 (g) The following may petition for judicial review of the final  
23 determination of the department of local government finance under  
24 subsection (f):  
25 (1) If the department acts under an appeal initiated by a political  
26 subdivision, the political subdivision.  
27 (2) If the department:  
28 (A) acts under an appeal initiated by one (1) or more taxpayers  
29 under section 13 of this chapter; or  
30 (B) fails to act on the appeal before the department certifies its  
31 action under subsection (f);  
32 a taxpayer who signed the statement filed to initiate the appeal.  
33 (3) If the department acts under an appeal initiated by the county  
34 auditor under section 14 of this chapter, the county auditor.  
35 (4) A taxpayer that owns property that represents at least ten  
36 percent (10%) of the taxable assessed valuation in the political  
37 subdivision.
- 38 The petition must be filed in the tax court not more than forty-five (45)  
39 days after the department certifies its action under subsection (f).
- 40 (h) The department of local government finance is expressly  
41 directed to complete the duties assigned to it under this section not later  
42 than February 15 of each year for taxes to be collected during that year.



1 (i) Subject to the provisions of all applicable statutes, the  
 2 department of local government finance ~~may~~ **shall** increase a political  
 3 subdivision's tax levy to an amount that exceeds the amount originally  
 4 ~~fixed~~ **advertised or adopted** by the political subdivision if:

5 (1) the increase is ~~(1)~~ requested in writing by the officers of the  
 6 political subdivision;

7 (2) ~~either:~~ **the requested increase is published on the**  
 8 **department's advertising Internet web site; and**

9 (A) based on information first obtained by the political  
 10 subdivision after the public hearing under section 3 of this  
 11 chapter; or

12 (B) results from an inadvertent mathematical error made in  
 13 determining the levy; and

14 (3) published by the political subdivision according to a notice  
 15 provided by the department. **notice is given to the county fiscal**  
 16 **body of the error and the department's correction.**

17 **If the department increases a levy beyond what was advertised or**  
 18 **adopted under this subsection, it shall reduce the levy for each fund**  
 19 **affected below the maximum allowable levy by the lesser of five**  
 20 **percent (5%) of the difference between the advertised or adopted**  
 21 **levy and the increased levy, or one hundred thousand dollars**  
 22 **(\$100,000).**

23 (j) The department of local government finance shall annually  
 24 review the budget by fund of each school corporation not later than  
 25 April 1. The department of local government finance shall give the  
 26 school corporation written notification specifying any revision,  
 27 reduction, or increase the department proposes in the school  
 28 corporation's budget by fund. A public hearing is not required in  
 29 connection with this review of the budget.

30 SECTION 23. IC 6-1.1-17-20, AS AMENDED BY P.L.257-2013,  
 31 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JULY 1, 2014]: Sec. 20. (a) This section applies to each governing  
 33 body of a taxing unit that is not comprised of a majority of officials  
 34 who are elected to serve on the governing body. For purposes of this  
 35 section, an individual who qualifies to be appointed to a governing  
 36 body or serves on a governing body because of the individual's status  
 37 as an elected official of another taxing unit shall be treated as an  
 38 official who was not elected to serve on the governing body.

39 (b) As used in this section, "taxing unit" has the meaning set forth  
 40 in IC 6-1.1-1-21, except that the term does not include a public library  
 41 **that has its proposed budget and proposed property tax levy**  
 42 **approved under section 20.3 of this chapter** or an entity whose tax



1 levies are subject to review and modification by a city-county  
 2 legislative body under IC 36-3-6-9. **The term includes a public**  
 3 **library that has a taxing district located within at least two (2)**  
 4 **counties.**

5 (c) If:

6 (1) the assessed valuation of a taxing unit is entirely contained  
 7 within a city or town; or

8 (2) the assessed valuation of a taxing unit is not entirely contained  
 9 within a city or town but:

10 (A) the taxing unit was originally established by the city or  
 11 town; or

12 (B) the majority of the individuals serving on the governing  
 13 body of the taxing unit are appointed by the city or town;

14 the governing body shall submit its proposed budget and property tax  
 15 levy to the city or town fiscal body. The proposed budget and levy shall  
 16 be submitted to the city or town fiscal body in the manner prescribed  
 17 by the department of local government finance before September 2 of  
 18 a year. **However, in the case of a public library that is subject to this**  
 19 **section and is described in subdivision (2), the public library shall**  
 20 **submit its proposed budget and property tax levy to the county**  
 21 **fiscal body in the manner provided in subsection (d), rather than**  
 22 **to the city or town fiscal body, if more than fifty percent (50%) of**  
 23 **the parcels of real property within the jurisdiction of the public**  
 24 **library are located outside the city or town.**

25 (d) If subsection (c) does not apply, the governing body of the taxing  
 26 unit shall submit its proposed budget and property tax levy to the  
 27 county fiscal body in the county where the taxing unit has the most  
 28 assessed valuation. The proposed budget and levy shall be submitted  
 29 to the county fiscal body in the manner prescribed by the department  
 30 of local government finance before September 2 of a year.

31 (e) The fiscal body of the city, town, or county (whichever applies)  
 32 shall review each budget and proposed tax levy and adopt a final  
 33 budget and tax levy for the taxing unit. The fiscal body may reduce or  
 34 modify but not increase the proposed budget or tax levy.

35 (f) If a taxing unit fails to file the information required in subsection  
 36 (c) or (d), whichever applies, with the appropriate fiscal body by the  
 37 time prescribed by this section, the most recent annual appropriations  
 38 and annual tax levy of that taxing unit are continued for the ensuing  
 39 budget year.

40 (g) If the appropriate fiscal body fails to complete the requirements  
 41 of subsection (e) before the adoption deadline in section 5 of this  
 42 chapter for any taxing unit subject to this section, the most recent



1 annual appropriations and annual tax levy of the city, town, or county,  
2 whichever applies, are continued for the ensuing budget year.

3 SECTION 24. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012,  
4 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the  
6 governing body of a public library that:

7 **(1) governs a taxing district that is located within a single  
8 county;**

9 ~~(+)~~ **(2)** is not comprised of a majority of officials who are elected  
10 to serve on the governing body; and

11 ~~(=)~~ **(3)** has a percentage increase in the proposed budget for the  
12 taxing unit for the ensuing calendar year that is more than the  
13 result of:

14 (A) the assessed value growth quotient determined under  
15 IC 6-1.1-18.5-2 for the ensuing calendar year; minus

16 (B) one (1).

17 For purposes of this section, an individual who qualifies to be  
18 appointed to a governing body or serves on a governing body because  
19 of the individual's status as an elected official of another taxing unit  
20 shall be treated as an official who was not elected to serve on the  
21 governing body.

22 (b) This section does not apply to an entity whose tax levies are  
23 subject to review and modification by a city-county legislative body  
24 under IC 36-3-6-9.

25 (c) If:

26 (1) the assessed valuation of a public library is entirely contained  
27 within a city or town; or

28 (2) the assessed valuation of a public library is not entirely  
29 contained within a city or town but the public library was  
30 originally established by the city or town;

31 the governing body shall submit its proposed budget and property tax  
32 levy to the city or town fiscal body in the manner prescribed by the  
33 department of local government finance before September 2 of a year.  
34 However, the governing body shall submit its proposed budget and  
35 property tax levy to the county fiscal body in the manner provided in  
36 subsection (d), rather than to the city or town fiscal body, if more than  
37 fifty percent (50%) of the parcels of real property within the  
38 jurisdiction of the public library are located outside the city or town.

39 (d) If subsection (c) does not apply, the governing body of the public  
40 library shall submit its proposed budget and property tax levy to the  
41 county fiscal body in the county where the public library has the most  
42 assessed valuation. The proposed budget and levy shall be submitted



1 to the county fiscal body in the manner prescribed by the department  
2 of local government finance before September 2 of a year.

3 (e) The fiscal body of the city, town, or county (whichever applies)  
4 shall review each budget and proposed tax levy and adopt a final  
5 budget and tax levy for the public library. The fiscal body may reduce  
6 or modify but not increase the proposed budget or tax levy.

7 (f) If a public library fails to file the information required in  
8 subsection (c) or (d), whichever applies, with the appropriate fiscal  
9 body by the time prescribed by this section, the most recent annual  
10 appropriations and annual tax levy of that public library are continued  
11 for the ensuing budget year.

12 (g) If the appropriate fiscal body fails to complete the requirements  
13 of subsection (e) before the adoption deadline in section 5 of this  
14 chapter for any public library subject to this section, the most recent  
15 annual appropriations and annual tax levy of the city, town, or county,  
16 whichever applies, are continued for the ensuing budget year.

17 SECTION 25. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012,  
18 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19 JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political  
20 subdivision desire to appropriate more money for a particular year than  
21 the amount prescribed in the budget for that year as finally determined  
22 under this article, they shall give notice of their proposed additional  
23 appropriation. The notice shall state the time and place at which a  
24 public hearing will be held on the proposal. The notice shall be given  
25 once in accordance with IC 5-3-1-2(b).

26 (b) If the additional appropriation by the political subdivision is  
27 made from a fund that receives:

28 (1) distributions from the motor vehicle highway account  
29 established under IC 8-14-1-1 or the local road and street account  
30 established under IC 8-14-2-4; or

31 (2) revenue from property taxes levied under IC 6-1.1;

32 the political subdivision must report the additional appropriation to the  
33 department of local government finance. If the additional appropriation  
34 is made from a fund described under this subsection, subsections (f),  
35 (g), (h), and (i) apply to the political subdivision.

36 (c) However, if the additional appropriation is not made from a fund  
37 described under subsection (b), subsections (f), (g), (h), and (i) do not  
38 apply to the political subdivision. Subsections (f), (g), (h), and (i) do  
39 not apply to an additional appropriation made from the cumulative  
40 bridge fund if the appropriation meets the requirements under  
41 IC 8-16-3-3(c).

42 (d) A political subdivision may make an additional appropriation



1 without approval of the department of local government finance if the  
 2 additional appropriation is made from a fund that is not described  
 3 under subsection (b). However, the fiscal officer of the political  
 4 subdivision shall report the additional appropriation to the department  
 5 of local government finance.

6 (e) After the public hearing, the proper officers of the political  
 7 subdivision shall file a certified copy of their final proposal and any  
 8 other relevant information to the department of local government  
 9 finance.

10 (f) When the department of local government finance receives a  
 11 certified copy of a proposal for an additional appropriation under  
 12 subsection (e), the department shall determine whether sufficient funds  
 13 are available or will be available for the proposal. The determination  
 14 shall be made in writing and sent to the political subdivision not more  
 15 than fifteen (15) days after the department of local government finance  
 16 receives the proposal.

17 (g) In making the determination under subsection (f), the  
 18 department of local government finance shall limit the amount of the  
 19 additional appropriation to revenues available, or to be made available,  
 20 which have not been previously appropriated.

21 (h) If the department of local government finance disapproves an  
 22 additional appropriation under subsection (f), the department shall  
 23 specify the reason for its disapproval on the determination sent to the  
 24 political subdivision.

25 (i) A political subdivision may request a reconsideration of a  
 26 determination of the department of local government finance under this  
 27 section by filing a written request for reconsideration. A request for  
 28 reconsideration must:

29 (1) be filed with the department of local government finance  
 30 within fifteen (15) days of the receipt of the determination by the  
 31 political subdivision; and

32 (2) state with reasonable specificity the reason for the request.

33 The department of local government finance must act on a request for  
 34 reconsideration within fifteen (15) days of receiving the request.

35 (j) This subsection applies to an additional appropriation by a  
 36 political subdivision that must have the political subdivision's annual  
 37 appropriations and annual tax levy adopted by a city, town, or county  
 38 fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under  
 39 IC 36-3-6-9. The fiscal or legislative body of the city, town, or county  
 40 that adopted the political subdivision's annual appropriation and annual  
 41 tax levy must adopt the additional appropriation by ordinance before  
 42 the department of local government finance may approve the additional



1 appropriation.

2 (k) This subsection applies to a public library that:

3 (1) is required to submit the public library's budgets, tax rates, and  
4 tax levies for nonbinding review under IC 6-1.1-17-3.5; and

5 (2) is not required to submit the public library's budgets, tax rates,  
6 and tax levies for binding review and approval under  
7 IC 6-1.1-17-20.

8 If a public library subject to this subsection proposes to make an  
9 additional appropriation for a year, and the additional appropriation  
10 would result in the budget for the library for that year increasing (as  
11 compared to the previous year) by a percentage that is greater than the  
12 result of the assessed value growth quotient determined under  
13 IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional  
14 appropriation must first be approved by the city, town, or county fiscal  
15 body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~;  
16 **IC 6-1.1-17-20.3(d)**, as appropriate.

17 SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA  
18 CODE AS A NEW SECTION TO READ AS FOLLOWS  
19 [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section,**  
20 **"qualified taxing unit" refers to the following taxing units:**

21 (1) DeKalb County.

22 (2) The town of Middlebury in Elkhart County.

23 (b) Before July 1, 2014, the department shall calculate and  
24 certify to the fiscal body of a qualified taxing unit the result of:

25 (1) the amount of the property tax levy that could have been  
26 imposed for property taxes first due and payable in 2014, if  
27 the budgets and levies of the qualified taxing unit had been  
28 properly advertised; minus

29 (2) the amount of the property tax levy approved by the  
30 department under IC 6-1.1-17 for property taxes first due and  
31 payable in calendar year 2014, after reducing the qualified  
32 taxing unit's budget and property tax levy because the  
33 qualified taxing unit's budget and property tax levy  
34 information were not properly advertised.

35 (c) After receiving the certifications required under subsection  
36 (b), the fiscal body of a qualified taxing unit may adopt an  
37 ordinance authorizing the qualified taxing unit to borrow money  
38 from a financial institution to replace part or all of the amount  
39 certified under subsection (b).

40 (d) If a qualified taxing unit receives a loan under this section,  
41 the fiscal officer of the qualified taxing unit shall deposit the loan  
42 in each fund affected by the reduction of the qualified taxing unit's





1 **budget and property tax levy. The amount deposited may be used**  
 2 **for any of the lawful purposes of that fund.**

3 **(e) If a qualified taxing unit borrows money under subsection**  
 4 **(c), the qualified taxing unit shall impose a property tax levy in**  
 5 **calendar year 2015 for the qualified taxing unit's debt service fund**  
 6 **to repay the total amount borrowed. The property tax levy under**  
 7 **this subsection must be treated as:**

8 **(1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and**

9 **(2) property taxes that are exempt from the levy limitations of**  
 10 **IC 6-1.1-18.5.**

11 **(f) This section expires June 30, 2016.**

12 SECTION 27. IC 6-1.1-18.5-8, AS AMENDED BY P.L.218-2013,  
 13 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JULY 1, 2014]: Sec. 8. (a) The ad valorem property tax levy limits  
 15 imposed by section 3 of this chapter do not apply to ad valorem  
 16 property taxes imposed by a civil taxing unit if the civil taxing unit is  
 17 committed to levy the taxes to pay or fund either:

18 (1) bonded indebtedness; or

19 (2) lease rentals under a lease with an original term of at least five

20 (5) years.

21 ~~However, this section does not apply to ad valorem property taxes~~  
 22 ~~imposed by a township to repay money borrowed under IC 36-6-6-14.~~

23 (b) Except as provided by subsections (g) and (h), a civil taxing unit  
 24 must file a petition requesting approval from the department of local  
 25 government finance to incur bonded indebtedness or execute a lease  
 26 with an original term of at least five (5) years not later than twenty-four  
 27 (24) months after the first date of publication of notice of a preliminary  
 28 determination under IC 6-1.1-20-3.1(2) (as in effect before July 1,  
 29 2008), unless the civil taxing unit demonstrates that a longer period is  
 30 reasonable in light of the civil taxing unit's facts and circumstances. A  
 31 civil taxing unit must obtain approval from the department of local  
 32 government finance before the civil taxing unit may:

33 (1) incur the bonded indebtedness; or

34 (2) enter into the lease.

35 (c) The department of local government finance shall render a  
 36 decision within three (3) months after the date it receives a request for  
 37 approval under subsection (b). However, the department of local  
 38 government finance may extend this three (3) month period by an  
 39 additional three (3) months if, at least ten (10) days before the end of  
 40 the original three (3) month period, the department sends notice of the  
 41 extension to the executive officer of the civil taxing unit. A civil taxing  
 42 unit may petition for judicial review of the final determination of the



1 department of local government finance under this section. The petition  
 2 must be filed in the tax court not more than forty-five (45) days after  
 3 the department enters its order under this section.

4 (d) A civil taxing unit does not need approval under subsection (b)  
 5 to obtain temporary loans made in anticipation of and to be paid from  
 6 current revenues of the civil taxing unit actually levied and in the  
 7 course of collection for the fiscal year in which the loans are made.

8 (e) For purposes of computing the ad valorem property tax levy  
 9 limits imposed on a civil taxing unit by section 3 of this chapter, the  
 10 civil taxing unit's ad valorem property tax levy for a calendar year does  
 11 not include that part of its levy that is committed to fund or pay bond  
 12 indebtedness or lease rentals with an original term of five (5) years in  
 13 subsection (a).

14 (f) A taxpayer may petition for judicial review of the final  
 15 determination of the department of local government finance under this  
 16 section. The petition must be filed in the tax court not more than thirty  
 17 (30) days after the department enters its order under this section.

18 (g) This subsection applies only to bonds, leases, and other  
 19 obligations for which a civil taxing unit:

20 (1) after June 30, 2008, makes a preliminary determination as  
 21 described in IC 6-1.1-20-3.1 or IC 6-1.1-20-3.5 or a decision as  
 22 described in IC 6-1.1-20-5; or

23 (2) in the case of bonds, leases, or other obligations payable from  
 24 ad valorem property taxes but not described in subdivision (1),  
 25 adopts a resolution or ordinance authorizing the bonds, lease  
 26 rental agreement, or other obligations after June 30, 2008.

27 Notwithstanding any other provision, review by the department of local  
 28 government finance and approval by the department of local  
 29 government finance is not required before a civil taxing unit may issue  
 30 or enter into bonds, a lease, or any other obligation.

31 (h) This subsection applies after June 30, 2008. Notwithstanding  
 32 any other provision, review by the department of local government  
 33 finance and approval by the department of local government finance is  
 34 not required before a civil taxing unit may construct, alter, or repair a  
 35 capital project.

36 SECTION 28. IC 6-1.1-21.2-11, AS AMENDED BY P.L.146-2008,  
 37 SECTION 238, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2014]: Sec. 11. (a) The governing body shall  
 39 estimate the tax increment replacement amount for each allocation area  
 40 under the jurisdiction of the governing body for the next calendar year  
 41 ~~on the schedule prescribed by the department of local government~~  
 42 ~~finance.~~ **in accordance with IC 36-7-14-39(b).**



1 (b) The tax increment replacement amount is the greater of zero (0)  
2 or the net amount by which:

3 (1) laws enacted by the general assembly; and

4 (2) actions taken by the department of local government finance;  
5 after the establishment of the allocation area have decreased the tax  
6 increment revenues of the allocation area for the next calendar year  
7 (after adjusting for any increases resulting from laws or actions of the  
8 department of local government finance) below the sum of the amount  
9 needed to make all payments that are due in the next calendar year on  
10 obligations payable from tax increment revenues and to maintain any  
11 tax increment revenue to obligation payment ratio required by an  
12 agreement on which any of the obligations are based.

13 SECTION 29. IC 36-1-8-17.5, AS ADDED BY P.L.205-2013,  
14 SECTION 345, IS AMENDED TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2014]: Sec. 17.5. (a) As used in this section,  
16 "OPEB" means a post-employment benefit that is considered to be an  
17 "other post employment benefit" under the standards of the  
18 Governmental Accounting Standards Board.

19 (b) Each political subdivision **that completes a comprehensive**  
20 **annual financial report** must, ~~before February 1 of each year, report~~  
21 **in the manner prescribed by the department of local government**  
22 **finance, submit** to the department of local government finance the  
23 political subdivision's:

- 24 (1) OPEB liability;  
25 (2) unfunded OPEB liability;  
26 (3) OPEB assets;  
27 (4) OPEB contributions; and  
28 (5) OPEB expenses and expenditures;

29 for the preceding year.

30 (c) A political subdivision **that** must report the information required  
31 by subsection (b) ~~in the manner specified by the department of local~~  
32 ~~government finance: shall do so not later than thirty (30) days after~~  
33 **completing the OPEB analysis.**

34 SECTION 30. IC 36-4-7-6 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. Before the  
36 ~~publication submission~~ of notice of budget estimates required by  
37 IC 6-1.1-17-3, each city shall formulate a budget estimate for the  
38 ensuing budget year in the following manner:

- 39 (1) Each department head shall prepare for ~~his~~ **the department**  
40 **head's** department an estimate of the amount of money required  
41 for the ensuing budget year, stating in detail each category and  
42 item of expenditure ~~he~~ **the department head** anticipates.



- 1 (2) The city fiscal officer shall prepare an itemized estimate of
- 2 revenues available for the ensuing budget year, and shall prepare
- 3 an itemized estimate of expenditures for other purposes above the
- 4 money proposed to be used by the departments.
- 5 (3) The city executive shall meet with the department heads and
- 6 the fiscal officer to review and revise their various estimates.
- 7 (4) After the executive's review and revision, the fiscal officer
- 8 shall prepare for the executive a report of the estimated
- 9 department budgets, miscellaneous expenses, and revenues
- 10 necessary or available to finance the estimates.

11 SECTION 31. IC 36-5-3-3 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. Before the  
 13 ~~publication~~ **submission** of notice of budget estimates required by  
 14 IC 6-1.1-17-3, each town shall formulate a budget estimate for the  
 15 ensuing budget year in the following manner, unless it provides by  
 16 ordinance for a different manner:

- 17 (1) Each department head shall prepare for ~~his~~ **the department**
- 18 **head's** department an estimate of the amount of money required
- 19 for the ensuing budget year, stating in detail each category and
- 20 item of expenditure ~~he~~ **the department head** anticipates.
- 21 (2) The town fiscal officer shall prepare an itemized estimate of
- 22 revenues available for the ensuing budget year, and shall prepare
- 23 an itemized estimate of expenditures for other purposes above the
- 24 money proposed to be used by the departments.
- 25 (3) The town executive shall meet with the department heads and
- 26 the fiscal officer to review and revise their various estimates.
- 27 (4) After the executive's review and revision, the fiscal officer
- 28 shall prepare for the executive a report of the estimated
- 29 department budgets, miscellaneous expenses, and revenues
- 30 necessary or available to finance the estimates.

31 SECTION 32. IC 36-7-14-13, AS AMENDED BY P.L.218-2013,  
 32 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2014]: Sec. 13. (a) Not later than ~~March 15~~ **June 1** of each  
 34 year, the redevelopment commissioners or their designees shall file  
 35 with the unit's executive a report setting out their activities during the  
 36 preceding calendar year.

- 37 (b) The report of the commissioners of a municipal redevelopment
- 38 commission must show the names of the then qualified and acting
- 39 commissioners, the names of the officers of that body, the number of
- 40 regular employees and their fixed salaries or compensation, the amount
- 41 of the expenditures made during the preceding year and their general
- 42 purpose, an accounting of the tax increment revenues expended by any



1 entity receiving the tax increment revenues as a grant or loan from the  
 2 commission, the amount of funds on hand at the close of the calendar  
 3 year, and other information necessary to disclose the activities of the  
 4 commissioners and the results obtained. **The report must also include**  
 5 **the following information set forth for each tax increment**  
 6 **financing district regarding the previous year:**

7 **(1) Revenues received.**

8 **(2) Expenses paid.**

9 **(3) Fund balances.**

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

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

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

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

20 (d) A copy of each report filed under this section must be submitted  
 21 to the department of local government finance **in an electronic format:**  
 22 **through the department's computer gateway.**

23 (e) ~~Before August 1 each year, the redevelopment commissioners~~  
 24 ~~shall also submit a report to the fiscal body of the unit. The report must~~  
 25 ~~include the following information set forth for each tax increment~~  
 26 ~~financing district regarding the previous year:~~

27 ~~(1) Revenues received:~~

28 ~~(2) Expenses paid:~~

29 ~~(3) Fund balances:~~

30 ~~(4) The amount and maturity date for all outstanding obligations:~~

31 ~~(5) The amount paid on outstanding obligations:~~

32 ~~(6) A list of all the parcels included in each tax increment~~  
 33 ~~financing district allocation area and the base assessed value and~~  
 34 ~~incremental assessed value for each parcel in the list:~~

35 ~~Before October 1 each year, the fiscal body shall compile the reports~~  
 36 ~~received for all the tax increment financing districts and submit a~~  
 37 ~~comprehensive report to the department of local government finance~~  
 38 ~~in the form required by the department of local government finance:~~

39 SECTION 33. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,  
 40 SECTION 206, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a  
 42 county having a population of more than two hundred fifty thousand



1 (250,000) but less than two hundred seventy thousand (270,000).

2 (b) In adopting a declaratory resolution under section 15 of this  
3 chapter, a redevelopment commission may include a provision stating  
4 that the redevelopment project area is considered to include one (1) or  
5 more additional areas outside the boundaries of the redevelopment  
6 project area if the redevelopment commission makes the following  
7 findings and the requirements of subsection (c) are met:

8 (1) One (1) or more taxpayers presently located within the  
9 boundaries of the redevelopment project area are expected within  
10 one (1) year to relocate all or part of their operations outside the  
11 boundaries of the redevelopment project area and have expressed  
12 an interest in relocating all or part of their operations within the  
13 boundaries of an additional area.

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

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

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

23 (d) Notwithstanding section 3 of this chapter, the additional areas  
24 shall be considered to be a part of the redevelopment special taxing  
25 district under the jurisdiction of the redevelopment commission. Any  
26 excess property taxes that the commission has determined may be paid  
27 to taxing units under section ~~39(b)(4)~~ **(39)(b)(5)** of this chapter shall be  
28 paid to the taxing units from which the excess property taxes were  
29 derived. All powers of the redevelopment commission authorized under  
30 this chapter may be exercised by the redevelopment commission in  
31 additional areas under its jurisdiction.

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

36 (f) The declaratory resolution may include a provision with respect  
37 to the allocation and distribution of property taxes with respect to one  
38 (1) or more of the additional areas in the manner provided in section 39  
39 of this chapter. If the redevelopment commission includes such a  
40 provision in the resolution, allocation areas in the redevelopment  
41 project area and in the additional areas considered to be part of the  
42 redevelopment project area shall be considered a single allocation area



1 for purposes of this chapter.

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

6 (1) the county legislative body, for each additional area located  
7 within the unincorporated part of the county; or

8 (2) the legislative body of the city or town affected, for each  
9 additional area located within a city or town.

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

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

17 (i) The redevelopment commission may amend the allocation  
18 provision of a declaratory resolution in accordance with sections 15,  
19 16, and 17 of this chapter to change the assessment date that  
20 determines the base assessed value of property in the allocation area to  
21 any assessment date following the effective date of the allocation  
22 provision of the declaratory resolution. Such a change may relate to the  
23 assessment date that determines the base assessed value of that portion  
24 of the allocation area that is located in the redevelopment project area  
25 alone, that portion of the allocation area that is located in an additional  
26 area alone, or the entire allocation area.

27 SECTION 34. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,  
28 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2014]: Sec. 39. (a) As used in this section:

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

34 "Base assessed value" means the following:

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

38 (A) the net assessed value of all the property as finally  
39 determined for the assessment date immediately preceding the  
40 effective date of the allocation provision of the declaratory  
41 resolution, as adjusted under subsection ~~(h)~~; (i); plus

42 (B) to the extent that it is not included in clause (A), the net



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





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

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



- 1 and distributed as follows:
- 2 (1) Except as otherwise provided in this section, the proceeds of
- 3 the taxes attributable to the lesser of:
- 4 (A) the assessed value of the property for the assessment date
- 5 with respect to which the allocation and distribution is made;
- 6 or
- 7 (B) the base assessed value;
- 8 shall be allocated to and, when collected, paid into the funds of
- 9 the respective taxing units.
- 10 (2) The excess of the proceeds of the property taxes imposed for
- 11 the assessment date with respect to which the allocation and
- 12 distribution is made that are attributable to taxes imposed after
- 13 being approved by the voters in a referendum or local public
- 14 question conducted after April 30, 2010, not otherwise included
- 15 in subdivision (1) shall be allocated to and, when collected, paid
- 16 into the funds of the taxing unit for which the referendum or local
- 17 public question was conducted.
- 18 (3) Except as otherwise provided in this section, property tax
- 19 proceeds in excess of those described in subdivisions (1) and (2)
- 20 shall be allocated to the redevelopment district and, when
- 21 collected, paid into an allocation fund for that allocation area that
- 22 may be used by the redevelopment district only to do one (1) or
- 23 more of the following:
- 24 (A) Pay the principal of and interest on any obligations
- 25 payable solely from allocated tax proceeds which are incurred
- 26 by the redevelopment district for the purpose of financing or
- 27 refinancing the redevelopment of that allocation area.
- 28 (B) Establish, augment, or restore the debt service reserve for
- 29 bonds payable solely or in part from allocated tax proceeds in
- 30 that allocation area.
- 31 (C) Pay the principal of and interest on bonds payable from
- 32 allocated tax proceeds in that allocation area and from the
- 33 special tax levied under section 27 of this chapter.
- 34 (D) Pay the principal of and interest on bonds issued by the
- 35 unit to pay for local public improvements that are physically
- 36 located in or physically connected to that allocation area.
- 37 (E) Pay premiums on the redemption before maturity of bonds
- 38 payable solely or in part from allocated tax proceeds in that
- 39 allocation area.
- 40 (F) Make payments on leases payable from allocated tax
- 41 proceeds in that allocation area under section 25.2 of this
- 42 chapter.



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



1 buildings, parking facilities, and other items described in  
2 section 25.1(a) of this chapter.

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

6 (i) in the allocation area; and

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

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

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

24 (i) Make, when due, any payments required under clauses  
25 (A) through (K), including any payments of principal and  
26 interest on bonds and other obligations payable under this  
27 subdivision, any payments of premiums under this  
28 subdivision on the redemption before maturity of bonds, and  
29 any payments on leases payable under this subdivision.

30 (ii) Make any reimbursements required under this  
31 subdivision.

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

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

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

37 (4) Except as provided in subsection ~~(g)~~, **(h)**, before July 15 of  
38 each year, the commission shall ~~do the following~~: **conduct a**  
39 **public hearing. Notice of the hearing shall be given in**  
40 **accordance with IC 5-3-1. The commission shall also provide**  
41 **a copy of the notice to the department of local government**  
42 **finance and each taxing unit within an allocation area**



1 governed by the commission at least ten (10) days before the  
2 hearing. The notice must include:

- 3 (A) estimated incremental revenues for the ensuing year;  
4 (B) estimated obligations to be paid for the ensuing year;  
5 (C) actual obligations paid in the previous year; and  
6 (D) estimated fiscal impact to the taxing units if:  
7 (i) the commission captures the amount it intends to  
8 capture; and  
9 (ii) the commission releases all incremental assessed  
10 valuation.

11 (5) At the close of the hearing, the commission shall:

12 (A) Determine the amount, if any, by which the assessed value  
13 of the taxable property in the allocation area for the most  
14 recent assessment date minus the base assessed value, when  
15 multiplied by the estimated tax rate of the allocation area, will  
16 exceed the amount of assessed value needed to produce the  
17 property taxes necessary to make, when due, principal and  
18 interest payments on bonds described in subdivision (3), plus  
19 the amount necessary for other purposes described in  
20 subdivision (3).

21 (B) Determine the tax increment replacement amount  
22 under IC 6-1.1-21.2-11.

23 (C) Present an estimate of tax increment revenues and  
24 financial obligations for the ensuing year.

25 ~~(B)~~ (c) Following the hearing, the commission shall provide a  
26 written notice to the county auditor, the fiscal body of the county or  
27 municipality that established the department of redevelopment, and the  
28 officers who are authorized to fix budgets, tax rates, and tax levies  
29 under IC 6-1.1-17-5 for each of the other taxing units that is wholly or  
30 partly located within the allocation area. The notice must:

- 31 ~~(i)~~ (1) state the amount, if any, of excess assessed value that the  
32 commission has determined may be allocated to the respective  
33 taxing units in the manner prescribed in ~~subdivision (1)~~;  
34 **subsection (b)(1)**; or  
35 ~~(ii)~~ (2) state that the commission has determined that there is no  
36 excess assessed value that may be allocated to the respective  
37 taxing units in the manner prescribed in ~~subdivision (1)~~;  
38 **subsection (b)(1)**.

39 The county auditor shall allocate to the respective taxing units the  
40 amount, if any, of excess assessed value determined by the  
41 commission. The commission may not authorize an allocation of  
42 assessed value to the respective taxing units under this subdivision if



1 to do so would endanger the interests of the holders of bonds described  
 2 in ~~subdivision (3)~~ **subsection (b)(3)** or lessors under section 25.3 of  
 3 this chapter.

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

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

11 (2) the base assessed value.

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

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

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

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

27 (2) the base assessed value.

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



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

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

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

35 (2) may not produce less property tax proceeds allocable to the  
 36 redevelopment district under subsection (b)(3) than would  
 37 otherwise have been received if the general reassessment, the  
 38 reassessment under the reassessment plan, or the annual  
 39 adjustment had not occurred; and

40 (3) may decrease base assessed value only to the extent that  
 41 assessed values in the allocation area have been decreased due to  
 42 annual adjustments or the reassessment under the reassessment



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

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

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

22 **(k) After June 30, 2014, a redevelopment commission may not**  
 23 **adopt a proposed declaratory resolution or an amendment to a**  
 24 **declaratory resolution that includes a provision for the allocation**  
 25 **and distribution of property taxes in accordance with subsection**  
 26 **(b) if the allocation provision would establish or enlarge an**  
 27 **allocation area in such a manner that, if the resolution or**  
 28 **amendment were adopted:**

- 29 **(1) the aggregate geographic area included in allocation areas**  
 30 **within the county would exceed twelve percent (12%) of the**  
 31 **geographic area of the county; or**  
 32 **(2) the aggregate base assessed value included in allocation**  
 33 **areas within the county would exceed twelve percent (12%) of**  
 34 **the assessed value of property in the county;**

35 **unless each taxing unit wholly or partially located within the**  
 36 **allocation area first adopts a resolution approving the proposed**  
 37 **declaratory resolution or amendment to a declaratory resolution.**

38 SECTION 35. IC 36-7-14-48, AS AMENDED BY P.L.203-2011,  
 39 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2014]: Sec. 48. (a) Notwithstanding section 39(a) of this  
 41 chapter, with respect to the allocation and distribution of property taxes  
 42 for the accomplishment of a program adopted under section 45 of this





1 chapter, "base assessed value" means the net assessed value of all of  
 2 the property, other than personal property, as finally determined for the  
 3 assessment date immediately preceding the effective date of the  
 4 allocation provision, as adjusted under section ~~39(h)~~ **39(i)** of this  
 5 chapter.

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

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

12 (2) The construction, reconstruction, or repair of any  
 13 infrastructure (including streets, sidewalks, and sewers) within or  
 14 serving the allocation area.

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

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

18 (5) The provision of financial assistance to enable individuals and  
 19 families to purchase or lease residential units within the allocation  
 20 area. However, financial assistance may be provided only to those  
 21 individuals and families whose income is at or below the county's  
 22 median income for individuals and families, respectively.

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

26 (7) For property taxes first due and payable before January 1,  
 27 2009, providing each taxpayer in the allocation area a credit for  
 28 property tax replacement as determined under subsections (c) and

29 (d). However, the commission may provide this credit only if the  
 30 municipal legislative body (in the case of a redevelopment  
 31 commission established by a municipality) or the county  
 32 executive (in the case of a redevelopment commission established  
 33 by a county) establishes the credit by ordinance adopted in the  
 34 year before the year in which the credit is provided.

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

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



- 1 STEP TWO: Divide:
- 2 (A) that part of each county's eligible property tax replacement
- 3 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
- 4 that year as determined under IC 6-1.1-21-4(a)(1) (before its
- 5 repeal) that is attributable to the taxing district; by
- 6 (B) the amount determined under STEP ONE.
- 7 STEP THREE: Multiply:
- 8 (A) the STEP TWO quotient; by
- 9 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before
- 10 its repeal) levied in the taxing district allocated to the
- 11 allocation fund, including the amount that would have been
- 12 allocated but for the credit.
- 13 (d) The commission may determine to grant to taxpayers in an
- 14 allocation area from its allocation fund a credit under this section, as
- 15 calculated under subsection (c). Except as provided in subsection (g),
- 16 one-half (1/2) of the credit shall be applied to each installment of taxes
- 17 (as defined in IC 6-1.1-21-2) (before its repeal) that under
- 18 IC 6-1.1-22-9 are due and payable in a year. The commission must
- 19 provide for the credit annually by a resolution and must find in the
- 20 resolution the following:
- 21 (1) That the money to be collected and deposited in the allocation
- 22 fund, based upon historical collection rates, after granting the
- 23 credit will equal the amounts payable for contractual obligations
- 24 from the fund, plus ten percent (10%) of those amounts.
- 25 (2) If bonds payable from the fund are outstanding, that there is
- 26 a debt service reserve for the bonds that at least equals the amount
- 27 of the credit to be granted.
- 28 (3) If bonds of a lessor under section 25.2 of this chapter or under
- 29 IC 36-1-10 are outstanding and if lease rentals are payable from
- 30 the fund, that there is a debt service reserve for those bonds that
- 31 at least equals the amount of the credit to be granted.
- 32 If the tax increment is insufficient to grant the credit in full, the
- 33 commission may grant the credit in part, prorated among all taxpayers.
- 34 (e) Notwithstanding section 39(b) of this chapter, the allocation
- 35 fund established under section 39(b) of this chapter for the allocation
- 36 area for a program adopted under section 45 of this chapter may only
- 37 be used to do one (1) or more of the following:
- 38 (1) Accomplish one (1) or more of the actions set forth in section
- 39 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter
- 40 for property that is residential in nature.
- 41 (2) Reimburse the county or municipality for expenditures made
- 42 by the county or municipality in order to accomplish the housing



1 program in that allocation area.

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

4 (f) Notwithstanding section 39(b) of this chapter, the commission  
5 shall, relative to the allocation fund established under section 39(b) of  
6 this chapter for an allocation area for a program adopted under section  
7 45 of this chapter, do the following before July 15 of each year:

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

14 (A) make the distribution required under section 39(b)(2);

15 (B) make, when due, principal and interest payments on bonds  
16 described in section 39(b)(3) of this chapter;

17 (C) pay the amount necessary for other purposes described in  
18 section 39(b)(3) of this chapter; and

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

21 (2) Provide a written notice to the county auditor, the fiscal body  
22 of the county or municipality that established the department of  
23 redevelopment, and the officers who are authorized to fix budgets,  
24 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
25 taxing units that is wholly or partly located within the allocation  
26 area. The notice must:

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

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

34 The county auditor shall allocate to the respective taxing units the  
35 amount, if any, of excess assessed value determined by the  
36 commission.

37 (g) This subsection applies to an allocation area only to the extent  
38 that the net assessed value of property that is assessed as residential  
39 property under the rules of the department of local government finance  
40 is not included in the base assessed value. If property tax installments  
41 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
42 installments established by the department of local government finance



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

6 SECTION 36. IC 36-7-14-52, AS ADDED BY P.L.7-2013,  
 7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2014]: Sec. 52. (a) Notwithstanding section 39(a) of this  
 9 chapter, with respect to the allocation and distribution of property taxes  
 10 for the accomplishment of the purposes of an age-restricted housing  
 11 program adopted under section 49 of this chapter, "base assessed  
 12 value" means the net assessed value of all of the property, other than  
 13 personal property, as finally determined for the assessment date  
 14 immediately preceding the effective date of the allocation provision, as  
 15 adjusted under section ~~39(h)~~ **39(i)** of this chapter.

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

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

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

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

28 (4) To do any of the following:

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

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

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

41 (D) Pay the principal of and interest on bonds issued by the  
 42 unit to pay for local public improvements that are physically



- 1 located in or physically connected to the allocation area.  
 2 (E) Pay premiums on the redemption before maturity of bonds  
 3 payable solely or in part from allocated tax proceeds in the  
 4 allocation area.  
 5 (F) Make payments on leases payable from allocated tax  
 6 proceeds in the allocation area under section 25.2 of this  
 7 chapter.  
 8 (G) Reimburse the unit for expenditures made by the unit for  
 9 local public improvements (which include buildings, parking  
 10 facilities, and other items described in section 25.1(a) of this  
 11 chapter) that are physically located in or physically connected  
 12 to the allocation area.
- 13 (c) Notwithstanding section 39(b) of this chapter, the commission  
 14 shall, relative to the allocation fund established under section 39(b) of  
 15 this chapter for an allocation area for an age-restricted housing program  
 16 adopted under section 49 of this chapter, do the following before July  
 17 15 of each year:
- 18 (1) Determine the amount, if any, by which the assessed value of  
 19 the taxable property in the allocation area for the most recent  
 20 assessment date minus the base assessed value, when multiplied  
 21 by the estimated tax rate of the allocation area, will exceed the  
 22 amount of assessed value needed to produce the property taxes  
 23 necessary to:
- 24 (A) make the distribution required under section 39(b)(2) of  
 25 this chapter;  
 26 (B) make, when due, principal and interest payments on bonds  
 27 described in section 39(b)(3) of this chapter;  
 28 (C) pay the amount necessary for other purposes described in  
 29 section 39(b)(3) of this chapter; and  
 30 (D) reimburse the county or municipality for anticipated  
 31 expenditures described in subsection (b)(2).
- 32 (2) Provide a written notice to the county auditor, the fiscal body  
 33 of the county or municipality that established the department of  
 34 redevelopment, and the officers who are authorized to fix budgets,  
 35 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 36 taxing units that is wholly or partly located within the allocation  
 37 area. The notice must:
- 38 (A) state the amount, if any, of excess property taxes that the  
 39 commission has determined may be paid to the respective  
 40 taxing units in the manner prescribed in section 39(b)(1) of  
 41 this chapter; or  
 42 (B) state that the commission has determined that there is no



1 excess assessed value that may be allocated to the respective  
 2 taxing units in the manner prescribed in subdivision (1).  
 3 The county auditor shall allocate to the respective taxing units the  
 4 amount, if any, of excess assessed value determined by the  
 5 commission.

6 SECTION 37. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,  
 7 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2014]: Sec. 26. (a) As used in this section:

9 "Allocation area" means that part of a redevelopment project area  
 10 to which an allocation provision of a resolution adopted under section  
 11 8 of this chapter refers for purposes of distribution and allocation of  
 12 property taxes.

13 "Base assessed value" means the following:

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

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

21 (B) to the extent that it is not included in clause (A), the net  
 22 assessed value of property that is assessed as residential  
 23 property under the rules of the department of local government  
 24 finance, as finally determined for any assessment date after the  
 25 effective date of the allocation provision.

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

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

33 (B) to the extent that it is not included in clause (A), the net  
 34 assessed value of property that is assessed as residential  
 35 property under the rules of the department of local government  
 36 finance, as finally determined for any assessment date after the  
 37 effective date of the allocation provision.

38 (3) If:

39 (A) an allocation provision adopted before June 30, 1995, in  
 40 a declaratory resolution or an amendment to a declaratory  
 41 resolution establishing a redevelopment project area expires  
 42 after June 30, 1997; and



1 (B) after June 30, 1997, a new allocation provision is included  
 2 in an amendment to the declaratory resolution;  
 3 the net assessed value of all the property as finally determined for  
 4 the assessment date immediately preceding the effective date of  
 5 the allocation provision adopted after June 30, 1997, as adjusted  
 6 under subsection ~~(h)~~: **(i)**.

7 (4) Except as provided in subdivision (5), for all other allocation  
 8 areas, the net assessed value of all the property as finally  
 9 determined for the assessment date immediately preceding the  
 10 effective date of the allocation provision of the declaratory  
 11 resolution, as adjusted under subsection ~~(h)~~: **(i)**.

12 (5) If an allocation area established in an economic development  
 13 area before July 1, 1995, is expanded after June 30, 1995, the  
 14 definition in subdivision (1) applies to the expanded part of the  
 15 area added after June 30, 1995.

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

20 **"Obligation" includes currently outstanding bonds, leases, and**  
 21 **contracts.**

22 Except as provided in section 26.2 of this chapter, "property taxes"  
 23 means taxes imposed under IC 6-1.1 on real property. However, upon  
 24 approval by a resolution of the redevelopment commission adopted  
 25 before June 1, 1987, "property taxes" also includes taxes imposed  
 26 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 27 commission adopted before June 1, 1987, a resolution to include within  
 28 the definition of property taxes taxes imposed under IC 6-1.1 on  
 29 depreciable personal property that has a useful life in excess of eight  
 30 (8) years, the commission may by resolution determine the percentage  
 31 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 32 that will be included within the definition of property taxes. However,  
 33 the percentage included must not exceed twenty-five percent (25%) of  
 34 the taxes imposed under IC 6-1.1 on all depreciable personal property.

35 (b) **Subject to subsection (k)**, a resolution adopted under section 8  
 36 of this chapter on or before the allocation deadline determined under  
 37 subsection ~~(f)~~: **(j)** may include a provision with respect to the allocation  
 38 and distribution of property taxes for the purposes and in the manner  
 39 provided in this section. **Subject to subsection (k)**, a resolution  
 40 previously adopted may include an allocation provision by the  
 41 amendment of that resolution on or before the allocation deadline  
 42 determined under subsection ~~(f)~~: **(j)** in accordance with the procedures



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

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

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

26 or

27 (B) the base assessed value;

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

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

38 (3) Except as otherwise provided in this section, property tax  
 39 proceeds in excess of those described in subdivisions (1) and (2)  
 40 shall be allocated to the redevelopment district and, when  
 41 collected, paid into a special fund for that allocation area that may  
 42 be used by the redevelopment district only to do one (1) or more





- 1 of the following:
- 2 (A) Pay the principal of and interest on any obligations
- 3 payable solely from allocated tax proceeds that are incurred by
- 4 the redevelopment district for the purpose of financing or
- 5 refinancing the redevelopment of that allocation area.
- 6 (B) Establish, augment, or restore the debt service reserve for
- 7 bonds payable solely or in part from allocated tax proceeds in
- 8 that allocation area.
- 9 (C) Pay the principal of and interest on bonds payable from
- 10 allocated tax proceeds in that allocation area and from the
- 11 special tax levied under section 19 of this chapter.
- 12 (D) Pay the principal of and interest on bonds issued by the
- 13 consolidated city to pay for local public improvements that are
- 14 physically located in or physically connected to that allocation
- 15 area.
- 16 (E) Pay premiums on the redemption before maturity of bonds
- 17 payable solely or in part from allocated tax proceeds in that
- 18 allocation area.
- 19 (F) Make payments on leases payable from allocated tax
- 20 proceeds in that allocation area under section 17.1 of this
- 21 chapter.
- 22 (G) Reimburse the consolidated city for expenditures for local
- 23 public improvements (which include buildings, parking
- 24 facilities, and other items set forth in section 17 of this
- 25 chapter) that are physically located in or physically connected
- 26 to that allocation area.
- 27 (H) Reimburse the unit for rentals paid by it for a building or
- 28 parking facility that is physically located in or physically
- 29 connected to that allocation area under any lease entered into
- 30 under IC 36-1-10.
- 31 (I) Reimburse public and private entities for expenses incurred
- 32 in training employees of industrial facilities that are located:
- 33 (i) in the allocation area; and
- 34 (ii) on a parcel of real property that has been classified as
- 35 industrial property under the rules of the department of local
- 36 government finance.
- 37 However, the total amount of money spent for this purpose in
- 38 any year may not exceed the total amount of money in the
- 39 allocation fund that is attributable to property taxes paid by the
- 40 industrial facilities described in this clause. The
- 41 reimbursements under this clause must be made within three
- 42 (3) years after the date on which the investments that are the



1 basis for the increment financing are made.

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

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

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

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

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

20 The special fund may not be used for operating expenses of the  
21 commission.

22 (4) Before July 15 of each year, the commission shall ~~do the~~  
23 ~~following:~~ **conduct a public hearing. Notice of the hearing**  
24 **shall be given in accordance with IC 5-3-1. The commission**  
25 **shall also provide a copy of the notice to the department of**  
26 **local government finance and each taxing unit within an**  
27 **allocation area governed by the commission at least ten (10)**  
28 **days before the hearing. The notice must include:**

29 **(A) estimated incremental revenues for the ensuing year;**

30 **(B) estimated obligations to be paid for the ensuing year;**

31 **(C) actual obligations paid in the previous year; and**

32 **(D) estimated fiscal impact to the taxing units if:**

33 **(i) the commission captures the amount it intends to**  
34 **capture; and**

35 **(ii) the commission releases all incremental assessed**  
36 **valuation.**

37 **(5) At the close of the hearing, the commission shall:**

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



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

5 **(B) Determine the tax increment replacement amount**  
 6 **under IC 6-1.1-21.2-11.**

7 **(C) Present an estimate of tax increment revenues and**  
 8 **financial obligations for the ensuing year.**

9 ~~(B)~~ **(c) Following the hearing, the commission shall** provide a  
 10 written notice to the county auditor, the legislative body of the  
 11 consolidated city, and the officers who are authorized to fix budgets,  
 12 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing  
 13 units that is wholly or partly located within the allocation area. The  
 14 notice must:

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

19 ~~(ii)~~ **(2)** state that the commission has determined that there is no  
 20 excess assessed value that may be allocated to the respective  
 21 taxing units in the manner prescribed in ~~subdivision (1)~~;  
 22 **subsection (b)(1)**.

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

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

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

36 ~~(f)~~ **(e)** Property tax proceeds allocable to the redevelopment district  
 37 under subsection (b)(3) may, subject to subsection ~~(b)(4)~~; **(b)(5)**, be  
 38 irrevocably pledged by the redevelopment district for payment as set  
 39 forth in subsection (b)(3).

40 ~~(g)~~ **(f)** Notwithstanding any other law, each assessor shall, upon  
 41 petition of the commission, reassess the taxable property situated upon  
 42 or in, or added to, the allocation area, effective on the next assessment



1 date after the petition.

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

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

9 (2) the base assessed value.

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

30 (1) To pay for programs in job training, job enrichment, and basic  
31 skill development designed to benefit residents and employers in  
32 the enterprise zone. The programs must reserve at least one-half  
33 (1/2) of the enrollment in any session for residents of the  
34 enterprise zone.

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

39 (A) Businesses operating in the enterprise zone.

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

42 (3) To provide funds to carry out other purposes specified in



1 subsection (b)(3). However, where reference is made in  
 2 subsection (b)(3) to the allocation area, the reference refers for  
 3 purposes of payments from the special zone fund only to that part  
 4 of the allocation area that is also located in the enterprise zone.

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

27 ~~(i)~~ (j) The allocation deadline referred to in subsection (b) is  
 28 determined in the following manner:

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

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

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

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

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

42 (k) **After June 30, 2014, the commission may not adopt a**



1 **proposed declaratory resolution or an amendment to a declaratory**  
 2 **resolution that includes a provision for the allocation and**  
 3 **distribution of property taxes in accordance with subsection (b) if**  
 4 **the allocation provision would establish or enlarge an allocation**  
 5 **area in such a manner that, if the resolution or amendment were**  
 6 **adopted:**

7 **(1) the aggregate geographic area included in allocation areas**  
 8 **within the county would exceed ten percent (10%) of the**  
 9 **geographic area of the county; or**

10 **(2) the aggregate base assessed value included in allocation**  
 11 **areas within the county would exceed ten percent (10%) of the**  
 12 **assessed value of property in the county;**

13 **unless each designated taxing unit wholly or partially located**  
 14 **within the redevelopment district first adopts a resolution**  
 15 **approving the proposed declaratory resolution or amendment to**  
 16 **a declaratory resolution.**

17 SECTION 38. IC 36-7-15.1-26.2, AS AMENDED BY  
 18 P.L.172-2011, SECTION 153, IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this  
 20 section, "depreciable personal property" refers to all of the designated  
 21 taxpayer's depreciable personal property that is located in the allocation  
 22 area.

23 (b) As used in this section, "designated taxpayer" means a taxpayer  
 24 designated by the commission in a declaratory resolution adopted or  
 25 amended under section 8 or 10.5 of this chapter, and with respect to  
 26 which the commission finds that:

27 (1) taxes to be derived from the taxpayer's depreciable personal  
 28 property in the allocation area, in excess of the taxes attributable  
 29 to the base assessed value of that personal property, are needed to  
 30 pay debt service for bonds issued under section 17 of this chapter  
 31 or to make payments on leases payable under section 17.1 of this  
 32 chapter in order to provide local public improvements for a  
 33 particular allocation area;

34 (2) the taxpayer's property in the allocation area will consist  
 35 primarily of industrial, manufacturing, warehousing, research and  
 36 development, processing, distribution, transportation, or  
 37 convention center hotel related projects or regulated amusement  
 38 devices (as defined in IC 22-12-1-19.1) and related  
 39 improvements; and

40 (3) the taxpayer's property in the allocation area will not consist  
 41 primarily of retail, commercial, or residential projects, other than  
 42 an amusement park or tourism industry project.



1 For purposes of subdivision (3), a convention center hotel project is not  
2 considered a retail, commercial, or residential project.

3 (c) The allocation provision of a declaratory resolution may modify  
4 the definition of "property taxes" under section 26(a) of this chapter to  
5 include taxes imposed under IC 6-1.1 on the depreciable personal  
6 property of designated taxpayers in accordance with the procedures and  
7 limitations set forth in this section and section 26 of this chapter. If  
8 such a modification is included in the resolution, for purposes of  
9 section 26 of this chapter the term "base assessed value" with respect  
10 to the depreciable personal property of designated taxpayers means the  
11 net assessed value of the depreciable personal property as finally  
12 determined for the assessment date immediately preceding:

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

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

17 as adjusted under section ~~26(h)~~ **26(i)** of this chapter.

18 SECTION 39. IC 36-7-15.1-36.3, AS AMENDED BY  
19 P.L.218-2013, SECTION 17, IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 36.3. (a) Not later than  
21 ~~March 15~~ **June 1** of each year, the commission or its designee shall file  
22 with the mayor a report setting out the commission's activities during  
23 the preceding calendar year.

24 (b) The report required by subsection (a) must show the names of  
25 the then qualified and acting commissioners, the names of the officers  
26 of that body, the number of regular employees and their fixed salaries  
27 or compensation, the amount of the expenditures made during the  
28 preceding year and their general purpose, an accounting of the tax  
29 increment revenues expended by any entity receiving the tax increment  
30 revenues as a grant or loan from the commission, the amount of funds  
31 on hand at the close of the calendar year, and other information  
32 necessary to disclose the activities of the commission and the results  
33 obtained. **The report must include the following information set  
34 forth for each tax increment financing district regarding the  
35 previous year:**

36 (1) **Revenues received.**

37 (2) **Expenses paid.**

38 (3) **Fund balances.**

39 (4) **The amount and maturity date for all outstanding  
40 obligations.**

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

42 (6) **A list of all the parcels included in each tax increment**



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

3           (c) A copy of each report filed under this section must be submitted  
 4 to the department of local government finance in an electronic format:  
 5 **through the department's computer gateway.**

6           (d) Before August 1 each year, the commission shall also submit a  
 7 report to the fiscal body. The report must include the following  
 8 information set forth for each tax increment financing district regarding  
 9 the previous year:

10           (1) Revenues received:

11           (2) Expenses paid:

12           (3) Fund balances:

13           (4) The amount and maturity date for all outstanding obligations:

14           (5) The amount paid on outstanding obligations:

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

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

22           SECTION 40. IC 36-7-30-8 IS AMENDED TO READ AS  
 23 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 8. The military base  
 24 reuse authority shall do the following:

25           (1) Investigate, study, and survey the area surrounding and the  
 26 real property and structures that are part of a military base within  
 27 the corporate boundaries of the unit.

28           (2) Investigate, study, and determine the means by which military  
 29 base property may be reused by private enterprise to promote  
 30 economic development within the unit or by state and local  
 31 government to otherwise benefit the welfare of the citizens of the  
 32 unit.

33           (3) Promote the reuse of military base property in the manner that  
 34 best serves the interests of the unit and its inhabitants.

35           (4) Cooperate with the departments and agencies of the unit and  
 36 of other governmental entities, including the state and the federal  
 37 government, in the manner that best serves the purposes of this  
 38 chapter.

39           (5) Make findings and reports on their activities under this  
 40 section, and keep the reports available for inspection by the  
 41 public.

42           (5) Prepare and submit reports containing the information





1           **specified by IC 36-7-14-13 in the manner prescribed by**  
 2           **IC 36-7-14-13.**

3           (6) Select and acquire military base property to be reused by  
 4           private enterprise or state or local government under this chapter.

5           (7) Transfer acquired military base property and other real and  
 6           personal property to private enterprise or state or local  
 7           government in the manner that best serves the social and  
 8           economic interests of the unit and the unit's inhabitants.

9           SECTION 41. IC 36-8-19-8, AS AMENDED BY P.L.182-2009(ss),  
 10          SECTION 443, IS AMENDED TO READ AS FOLLOWS  
 11          [EFFECTIVE JULY 1, 2014]: Sec. 8. (a) Upon the adoption of  
 12          identical ordinances or resolutions, or both, by the participating units  
 13          under section 6 of this chapter, the designated provider unit must  
 14          establish a fire protection territory fund from which all expenses of  
 15          operating and maintaining the fire protection services within the  
 16          territory, including repairs, fees, salaries, depreciation on all  
 17          depreciable assets, rents, supplies, contingencies, and all other  
 18          expenses lawfully incurred within the territory shall be paid. The  
 19          purposes described in this subsection are the sole purposes of the fund,  
 20          and money in the fund may not be used for any other expenses. Except  
 21          as allowed in subsections (d) and (e) and section 8.5 of this chapter, the  
 22          provider unit is not authorized to transfer money out of the fund at any  
 23          time.

24          (b) The fund consists of the following:  
 25               (1) All receipts from the tax imposed under this section.  
 26               (2) Any money transferred to the fund by the provider unit as  
 27               authorized under subsection (d).  
 28               (3) Any receipts from a false alarm fee or service charge imposed  
 29               by the participating units under IC 36-8-13-4.  
 30               (4) Any money transferred to the fund by a participating unit  
 31               under section 8.6 of this chapter.

32          (c) The provider unit, with the assistance of each of the other  
 33          participating units, shall annually budget the necessary money to meet  
 34          the expenses of operation and maintenance of the fire protection  
 35          services within the territory. ~~plus~~ **The provider unit may maintain**  
 36          reasonable ~~operating~~ balance, not to exceed **one hundred** twenty  
 37          percent (~~20%~~) **(120%)** of the budgeted expenses. Except as provided  
 38          in IC 6-1.1-18.5-10.5, after estimating expenses and receipts of money,  
 39          the provider unit shall establish the tax levy required to fund the  
 40          estimated budget. The amount budgeted under this subsection shall be  
 41          considered a part of each of the participating unit's budget.

42          (d) If the amount levied in a particular year is insufficient to cover



1 the costs incurred in providing fire protection services within the  
 2 territory, the provider unit may transfer from available sources to the  
 3 fire protection territory fund the money needed to cover those costs. In  
 4 this case:

5 (1) the levy in the following year shall be increased by the amount  
 6 required to be transferred; and

7 (2) the provider unit is entitled to transfer the amount described  
 8 in subdivision (1) from the fund as reimbursement to the provider  
 9 unit.

10 (e) If the amount levied in a particular year exceeds the amount  
 11 necessary to cover the costs incurred in providing fire protection  
 12 services within the territory, the levy in the following year shall be  
 13 reduced by the amount of surplus money that is not transferred to the  
 14 equipment replacement fund established under section 8.5 of this  
 15 chapter. The amount that may be transferred to the equipment  
 16 replacement fund may not exceed five percent (5%) of the levy for that  
 17 fund for that year. Each participating unit must agree to the amount to  
 18 be transferred by adopting an ordinance (if the unit is a county or  
 19 municipality) or a resolution (if the unit is a township) that specifies an  
 20 identical amount to be transferred.

21 (f) The tax under this section is subject to the tax levy limitations  
 22 imposed under IC 6-1.1-18.5-10.5.

23 SECTION 42. [EFFECTIVE UPON PASSAGE] (a)  
 24 IC 6-1.1-12-10.1, IC 6-1.1-12-12, IC 6-1.1-12-15, IC 6-1.1-12-17,  
 25 IC 6-1.1-12-17.5, IC 6-1.1-12-27.1, IC 6-1.1-12-30, IC 6-1.1-12-35.5,  
 26 IC 6-1.1-12-38, IC 6-1.1-12-45, IC 6-1.1-12.6-3, and IC 6-1.1-12.8-4,  
 27 all as amended by this act, apply to deductions claimed for  
 28 assessment dates after February 28, 2014.

29 (b) This SECTION expires July 1, 2018.

30 SECTION 43. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1266, 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:

Page 4, line 7, delete "IC 36-7-14-39(i)" and insert "**IC 36-7-14-39(j)**".

Page 4, line 7, strike "IC 36-7-15.1-26(g)." and insert "**IC 36-7-15.1-26(h)**".

Page 5, line 15, delete "to the electric rail service fund established by" and insert "**for railroad car maintenance and improvements provided under IC 6-1.1-8.2.**".

Page 5, delete line 16.

Page 19, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 20. IC 6-1.1-15-12, AS AMENDED BY P.L.172-2011, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Subject to the limitations contained in subsections (c), ~~and~~ (d), **and (i)**, a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer, the taxpayer was not given:

- (A) the proper credit under IC 6-1.1-20.6-7.5 for property taxes imposed for an assessment date after January 15, 2011;
- (B) any other credit permitted by law;
- (C) an exemption permitted by law; or
- (D) a deduction permitted by law.

(b) **Subject to subsection (i)**, the county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the



department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor (if any).
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county board for determination. The county board shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county board to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor (if any).

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28 or an appeal under IC 6-1.1-8-30.

**(i) A taxpayer is not entitled to relief under this section unless the taxpayer files a petition to correct an error:**



**(1) with the auditor of the county in which the taxes were originally paid; and**

**(2) within three (3) years after the taxes were first due."**

Page 21, delete lines 12 through 42.

Page 22, delete lines 1 through 26.

Page 25, line 24, reset in roman "a public library" and insert "**that has its proposed budget and proposed property tax levy approved under section 20.3 of this chapter**".

Page 25, line 25, reset in roman "or".

Page 25, line 26, after "." insert "**The term includes a public library that has a taxing district located within at least two (2) counties.**".

Page 26, delete lines 25 through 42, begin a new paragraph and insert:

"SECTION 23. IC 6-1.1-17-20.3, AS ADDED BY P.L.137-2012, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 20.3. (a) This section applies only to the governing body of a public library that:

**(1) governs a taxing district that is located within a single county;**

~~(1)~~ **(2)** is not comprised of a majority of officials who are elected to serve on the governing body; and

~~(2)~~ **(3)** has a percentage increase in the proposed budget for the taxing unit for the ensuing calendar year that is more than the result of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the ensuing calendar year; minus

(B) one (1).

For purposes of this section, an individual who qualifies to be appointed to a governing body or serves on a governing body because of the individual's status as an elected official of another taxing unit shall be treated as an official who was not elected to serve on the governing body.

(b) This section does not apply to an entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.

(c) If:

(1) the assessed valuation of a public library is entirely contained within a city or town; or

(2) the assessed valuation of a public library is not entirely contained within a city or town but the public library was originally established by the city or town;



the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body in the manner prescribed by the department of local government finance before September 2 of a year. However, the governing body shall submit its proposed budget and property tax levy to the county fiscal body in the manner provided in subsection (d), rather than to the city or town fiscal body, if more than fifty percent (50%) of the parcels of real property within the jurisdiction of the public library are located outside the city or town.

(d) If subsection (c) does not apply, the governing body of the public library shall submit its proposed budget and property tax levy to the county fiscal body in the county where the public library has the most assessed valuation. The proposed budget and levy shall be submitted to the county fiscal body in the manner prescribed by the department of local government finance before September 2 of a year.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the public library. The fiscal body may reduce or modify but not increase the proposed budget or tax levy.

(f) If a public library fails to file the information required in subsection (c) or (d), whichever applies, with the appropriate fiscal body by the time prescribed by this section, the most recent annual appropriations and annual tax levy of that public library are continued for the ensuing budget year.

(g) If the appropriate fiscal body fails to complete the requirements of subsection (e) before the adoption deadline in section 5 of this chapter for any public library subject to this section, the most recent annual appropriations and annual tax levy of the city, town, or county, whichever applies, are continued for the ensuing budget year.

SECTION 24. IC 6-1.1-18-5, AS AMENDED BY P.L.137-2012, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b).

(b) If the additional appropriation by the political subdivision is made from a fund that receives:

- (1) distributions from the motor vehicle highway account established under IC 8-14-1-1 or the local road and street account established under IC 8-14-2-4; or



(2) revenue from property taxes levied under IC 6-1.1; the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

(1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the



political subdivision; and

(2) state with reasonable specificity the reason for the request.

The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that:

(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and

(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or ~~IC 6-1.1-17-20(d)~~; **IC 6-1.1-17-20.3(d)**, as appropriate."

Delete pages 27 through 28.

Page 29, delete lines 1 through 35, begin a new paragraph and insert:

"SECTION 26. IC 6-1.1-18-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) As used in this section, "qualified taxing unit" refers to the following taxing units:**

**(1) DeKalb County.**

**(2) The town of Middlebury in Elkhart County.**

**(b) Before July 1, 2014, the department shall calculate and certify to the fiscal body of a qualified taxing unit the result of:**

**(1) the amount of the property tax levy that could have been imposed for property taxes first due and payable in 2014, if the budgets and levies of the qualified taxing unit had been**





properly advertised; minus

(2) the amount of the property tax levy approved by the department under IC 6-1.1-17 for property taxes first due and payable in calendar year 2014, after reducing the qualified taxing unit's budget and property tax levy because the qualified taxing unit's budget and property tax levy information were not properly advertised.

(c) After receiving the certifications required under subsection (b), the fiscal body of a qualified taxing unit may adopt an ordinance authorizing the qualified taxing unit to borrow money from a financial institution to replace part or all of the amount certified under subsection (b).

(d) If a qualified taxing unit receives a loan under this section, the fiscal officer of the qualified taxing unit shall deposit the loan in each fund affected by the reduction of the qualified taxing unit's budget and property tax levy. The amount deposited may be used for any of the lawful purposes of that fund.

(e) If a qualified taxing unit borrows money under subsection (c), the qualified taxing unit shall impose a property tax levy in calendar year 2015 for the qualified taxing unit's debt service fund to repay the total amount borrowed. The property tax levy under this subsection must be treated as:

- (1) protected taxes (as defined in IC 6-1.1-20.6-9.8); and
- (2) property taxes that are exempt from the levy limitations of IC 6-1.1-18.5.

(f) This section expires June 30, 2016."

Page 34, between lines 20 and 21, begin a new paragraph and insert:  
 "SECTION 32. IC 36-7-14-15.5, AS AMENDED BY P.L. 119-2012, SECTION 206, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

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

- (1) One (1) or more taxpayers presently located within the boundaries of the redevelopment project area are expected within one (1) year to relocate all or part of their operations outside the boundaries of the redevelopment project area and have expressed



an interest in relocating all or part of their operations within the boundaries of an additional area.

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

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

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

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section ~~39(b)(4)~~ **(39)(b)(5)** of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

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

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

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

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

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



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

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

Page 34, line 35, delete "(j);" and insert "**(i)**";

Page 35, line 5, delete "(j);" and insert "**(i)**";

Page 35, line 21, delete "(j)." and insert "**(i)**."

Page 35, line 26, delete "(j)." and insert "**(i)**."

Page 36, line 8, delete "A" and insert "**Subject to subsection (k), a**".

Page 36, line 12, delete "A" and insert "**Subject to subsection (k), a**".

Page 39, line 29, delete "(i)," and insert "**(h)**".

Page 40, delete lines 17 through 28.

Page 40, line 29, delete "(d)" and insert "**(c)**".

Page 40, line 36, reset in roman "commission".

Page 40, line 36, delete "fiscal body".

Page 40, line 39, reset in roman "commission".

Page 40, line 39, delete "fiscal body".

Page 41, delete line 1.

Page 41, line 2, delete "with the written notice."

Page 41, line 4, after "the" reset in roman "commission".

Page 41, line 4, delete "fiscal body."

Page 41, line 4, after "The" reset in roman "commission".

Page 41, line 4, delete "fiscal".

Page 41, line 5, delete "body".

Page 41, line 9, delete "(e)" and insert "**(d)**".

Page 41, line 17, delete "(f)" and insert "**(e)**".

Page 41, line 21, delete "(g)" and insert "**(f)**".

Page 41, line 25, delete "(h)" and insert "**(g)**".

Page 41, line 33, delete "(i)" and insert "**(h)**".

Page 42, line 23, delete "(j)" and insert "**(i)**".



Page 43, line 12, delete "(k)" and insert "(j)".

Page 43, between lines 26 and 27, begin a new paragraph and insert:

**"(k) After June 30, 2014, a redevelopment commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:**

**(1) the aggregate geographic area included in allocation areas within the county would exceed twelve percent (12%) of the geographic area of the county; or**

**(2) the aggregate base assessed value included in allocation areas within the county would exceed twelve percent (12%) of the assessed value of property in the county;**

**unless each taxing unit wholly or partially located within the allocation area first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution."**

Page 43, line 35, delete "39(j)" and insert "**39(i)**".

Page 47, line 4, delete "39(j)" and insert "**39(i)**".

Page 48, between lines 36 and 37, begin a new paragraph and insert:

**"SECTION 35. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26. (a) As used in this section:**

**"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.**

**"Base assessed value" means the following:**

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

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

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

**(2) If an allocation provision is adopted after June 30, 1997, in a**



declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

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

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

(3) If:

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

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

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection ~~(h)~~; **(i)**.

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**.

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

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

**"Obligation" includes currently outstanding bonds, leases, and contracts.**

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment



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

(b) **Subject to subsection (k)**, a resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (†) (j) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. **Subject to subsection (k)**, a resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (†) (j) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
  - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;
  - or



(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(4) Before July 15 of each year, the commission shall ~~do the following:~~ **conduct a public hearing. Notice of the hearing shall be given in accordance with IC 5-3-1. The commission shall also provide a copy of the notice to the department of local government finance and each taxing unit within an**





allocation area governed by the commission at least ten (10) days before the hearing. The notice must include:

- (A) estimated incremental revenues for the ensuing year;
- (B) estimated obligations to be paid for the ensuing year;
- (C) actual obligations paid in the previous year; and
- (D) estimated fiscal impact to the taxing units if:
  - (i) the commission captures the amount it intends to capture; and
  - (ii) the commission releases all incremental assessed valuation.

(5) At the close of the hearing, the commission shall:

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

(B) Determine the tax increment replacement amount under IC 6-1.1-21.2-11.

(C) Present an estimate of tax increment revenues and financial obligations for the ensuing year.

~~(B)~~ (c) Following the hearing, the commission shall provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- ~~(i)~~ (1) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~; subsection (b)(1); or
- ~~(ii)~~ (2) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in ~~subdivision (1)~~; subsection (b)(1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would



endanger the interests of the holders of bonds described in ~~subdivision (3)~~: **subsection (b)(3)**.

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

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

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

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

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

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

~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise



zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

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

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

(A) Businesses operating in the enterprise zone.

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

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

~~(h)~~ (i) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.



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

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

**(k) After June 30, 2014, the commission may not adopt a proposed declaratory resolution or an amendment to a declaratory resolution that includes a provision for the allocation and distribution of property taxes in accordance with subsection (b) if the allocation provision would establish or enlarge an allocation area in such a manner that, if the resolution or amendment were adopted:**

- (1) the aggregate geographic area included in allocation areas within the county would exceed ten percent (10%) of the geographic area of the county; or**
- (2) the aggregate base assessed value included in allocation areas within the county would exceed ten percent (10%) of the assessed value of property in the county;**

**unless each designated taxing unit wholly or partially located within the redevelopment district first adopts a resolution approving the proposed declaratory resolution or amendment to a declaratory resolution.**

SECTION 26. IC 36-7-15.1-26.2, AS AMENDED BY P.L.172-2011, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 26.2. (a) As used in this section, "depreciable personal property" refers to all of the designated taxpayer's depreciable personal property that is located in the allocation area.

(b) As used in this section, "designated taxpayer" means a taxpayer designated by the commission in a declaratory resolution adopted or amended under section 8 or 10.5 of this chapter, and with respect to which the commission finds that:



(1) taxes to be derived from the taxpayer's depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed to pay debt service for bonds issued under section 17 of this chapter or to make payments on leases payable under section 17.1 of this chapter in order to provide local public improvements for a particular allocation area;

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

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

For purposes of subdivision (3), a convention center hotel project is not considered a retail, commercial, or residential project.

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

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

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

as adjusted under section ~~26(h)~~ **26(i)** of this chapter."

Page 51, line 13, strike "operating".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1266 as introduced.)

BROWN T, Chair

Committee Vote: yeas 16, nays 5.

**HB 1266—LS 6991/DI 73**

