



January 24, 2014

SENATE BILL No. 156

DIGEST OF SB 156 (Updated January 21, 2014 1:09 pm - DI 73)

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions. Provides that a redevelopment commission may, subject to prior approval by the unit's fiscal body, provide financial assistance to the owner of commercial property within a redevelopment project area or economic development area designated by the redevelopment commission to assist the owner in constructing, rehabilitating, or repairing the commercial property. Provides that the additional authority for a redevelopment commission to provide such financial assistance expires July 1, 2019. Specifies that the fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for such financial assistance. Provides that the terms of any loan made under the provisions in the bill may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission.

Effective: July 1, 2014.

Head, Buck, Broden

January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.
January 23, 2014, amended, reported favorably — Do Pass.

SB 156—LS 6255/DI 73



January 24, 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.

SENATE BILL No. 156

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

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

- 1 SECTION 1. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do
4 the following:
5 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
6 lease, or any combination of methods, any personal property or
7 interest in real property needed for the redevelopment of areas
8 needing redevelopment that are located within the corporate
9 boundaries of the unit.
10 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
11 other instrument), exchange, lease, rent, or otherwise dispose of
12 property acquired for use in the redevelopment of areas needing
13 redevelopment on the terms and conditions that the commission
14 considers best for the unit and its inhabitants.
15 (3) Sell, lease, or grant interests in all or part of the real property
16 acquired for redevelopment purposes to any other department of

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- 1 the unit or to any other governmental agency for public ways,
 2 levees, sewerage, parks, playgrounds, schools, and other public
 3 purposes on any terms that may be agreed on.
 4 (4) Clear real property acquired for redevelopment purposes.
 5 (5) Enter on or into, inspect, investigate, and assess real property
 6 and structures acquired or to be acquired for redevelopment
 7 purposes to determine the existence, source, nature, and extent of
 8 any environmental contamination, including the following:
 9 (A) Hazardous substances.
 10 (B) Petroleum.
 11 (C) Other pollutants.
 12 (6) Remediate environmental contamination, including the
 13 following, found on any real property or structures acquired for
 14 redevelopment purposes:
 15 (A) Hazardous substances.
 16 (B) Petroleum.
 17 (C) Other pollutants.
 18 (7) Repair and maintain structures acquired for redevelopment
 19 purposes.
 20 (8) Remodel, rebuild, enlarge, or make major structural
 21 improvements on structures acquired for redevelopment purposes.
 22 (9) Survey or examine any land to determine whether it should be
 23 included within an area needing redevelopment to be acquired for
 24 redevelopment purposes and to determine the value of that land.
 25 (10) Appear before any other department or agency of the unit, or
 26 before any other governmental agency in respect to any matter
 27 affecting:
 28 (A) real property acquired or being acquired for
 29 redevelopment purposes; or
 30 (B) any area needing redevelopment within the jurisdiction of
 31 the commissioners.
 32 (11) Institute or defend in the name of the unit any civil action.
 33 (12) Use any legal or equitable remedy that is necessary or
 34 considered proper to protect and enforce the rights of and perform
 35 the duties of the department of redevelopment.
 36 (13) Exercise the power of eminent domain in the name of and
 37 within the corporate boundaries of the unit in the manner
 38 prescribed by section 20 of this chapter.
 39 (14) Appoint an executive director, appraisers, real estate experts,
 40 engineers, architects, surveyors, and attorneys.
 41 (15) Appoint clerks, guards, laborers, and other employees the
 42 commission considers advisable, except that those appointments



- 1 must be made in accordance with the merit system of the unit if
2 such a system exists.
- 3 (16) Prescribe the duties and regulate the compensation of
4 employees of the department of redevelopment.
- 5 (17) Provide a pension and retirement system for employees of
6 the department of redevelopment by using the Indiana public
7 employees' retirement fund or a retirement plan approved by the
8 United States Department of Housing and Urban Development.
- 9 (18) Discharge and appoint successors to employees of the
10 department of redevelopment subject to subdivision (15).
- 11 (19) Rent offices for use of the department of redevelopment, or
12 accept the use of offices furnished by the unit.
- 13 (20) Equip the offices of the department of redevelopment with
14 the necessary furniture, furnishings, equipment, records, and
15 supplies.
- 16 (21) Expend, on behalf of the special taxing district, all or any
17 part of the money of the special taxing district.
- 18 (22) Contract for the construction of:
- 19 (A) local public improvements (as defined in IC 36-7-14.5-6)
20 or structures that are necessary for redevelopment of areas
21 needing redevelopment or economic development within the
22 corporate boundaries of the unit; or
- 23 (B) any structure that enhances development or economic
24 development.
- 25 (23) Contract for the construction, extension, or improvement of
26 pedestrian skyways.
- 27 (24) Accept loans, grants, and other forms of financial assistance
28 from the federal government, the state government, a municipal
29 corporation, a special taxing district, a foundation, or any other
30 source.
- 31 (25) Provide financial assistance (including grants and loans) to
32 enable individuals and families to purchase or lease residential
33 units within the district. However, financial assistance may be
34 provided only to individuals and families whose income is at or
35 below the unit's median income for individuals and families,
36 respectively.
- 37 (26) Provide financial assistance (including grants and loans) to
38 neighborhood development corporations to permit them to:
- 39 (A) provide financial assistance for the purposes described in
40 subdivision (25); or
- 41 (B) construct, rehabilitate, or repair commercial property
42 within the district.



1 (27) Require as a condition of financial assistance to the owner of
 2 a multiple unit residential structure that any of the units leased by
 3 the owner must be leased:

4 (A) for a period to be determined by the commission, which
 5 may not be less than five (5) years;

6 (B) to families whose income does not exceed eighty percent
 7 (80%) of the unit's median income for families; and

8 (C) at an affordable rate.

9 **(28) Subject to prior approval by the fiscal body of the unit**
 10 **that established the redevelopment commission, provide**
 11 **financial assistance (including grants and loans) to the owner**
 12 **of commercial property within a redevelopment project area**
 13 **or economic development area designated by the**
 14 **redevelopment commission under this chapter to assist the**
 15 **owner in constructing, rehabilitating, or repairing the**
 16 **commercial property. The fiscal body of the unit that**
 17 **established the redevelopment commission must separately**
 18 **approve each grant, loan, or other expenditure for financial**
 19 **assistance under this subdivision. The terms of any loan that**
 20 **is made under this subdivision may be changed only if the**
 21 **change is approved by the fiscal body of the unit that**
 22 **established the redevelopment commission. A redevelopment**
 23 **commission may not provide financial assistance under this**
 24 **subdivision after June 30, 2019. Financial assistance approved**
 25 **or provided before July 1, 2013, that would have been**
 26 **authorized by this subdivision if this subdivision (excluding**
 27 **the requirement of prior approval by the fiscal body) had**
 28 **been in effect when the assistance was approved or provided**
 29 **is legalized and validated.**

30 (b) Conditions imposed by the commission under subsection (a)(27)
 31 remain in force throughout the period determined under subsection
 32 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
 33 subsequent owner or lessee is bound by the conditions for the
 34 remainder of the period.

35 (c) As used in this section, "pedestrian skyway" means a pedestrian
 36 walkway within or outside of the public right-of-way and through and
 37 above public or private property and buildings, including all structural
 38 supports required to connect skyways to buildings or buildings under
 39 construction. Pedestrian skyways constructed, extended, or improved
 40 over or through public or private property constitute public property
 41 and public improvements, constitute a public use and purpose, and do
 42 not require vacation of any public way or other property.



1 (d) All powers that may be exercised under this chapter by the
 2 redevelopment commission may also be exercised by the
 3 redevelopment commission in carrying out its duties and purposes
 4 under IC 36-7-14.5.

5 SECTION 2. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,
 6 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2014]: Sec. 39. (a) As used in this section:

8 "Allocation area" means that part of a redevelopment project area
 9 to which an allocation provision of a declaratory resolution adopted
 10 under section 15 of this chapter refers for purposes of distribution and
 11 allocation of property taxes.

12 "Base assessed value" means the following:

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

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

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

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

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

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

37 (3) If:

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

42 (B) after June 30, 1997, a new allocation provision is included



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

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

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

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

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

32 (b) A declaratory resolution adopted under section 15 of this chapter
 33 on or before the allocation deadline determined under subsection (i)
 34 may include a provision with respect to the allocation and distribution
 35 of property taxes for the purposes and in the manner provided in this
 36 section. A declaratory resolution previously adopted may include an
 37 allocation provision by the amendment of that declaratory resolution on
 38 or before the allocation deadline determined under subsection (i) in
 39 accordance with the procedures required for its original adoption. A
 40 declaratory resolution or an amendment that establishes an allocation
 41 provision after June 30, 1995, must specify an expiration date for the
 42 allocation provision. For an allocation area established before July 1,



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

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

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

23 (B) the base assessed value;

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

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

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

40 (A) Pay the principal of and interest on any obligations
41 payable solely from allocated tax proceeds which are incurred
42 by the redevelopment district for the purpose of financing or



- 1 refinancing the redevelopment of that allocation area.
 2 (B) Establish, augment, or restore the debt service reserve for
 3 bonds payable solely or in part from allocated tax proceeds in
 4 that allocation area.
 5 (C) Pay the principal of and interest on bonds payable from
 6 allocated tax proceeds in that allocation area and from the
 7 special tax levied under section 27 of this chapter.
 8 (D) Pay the principal of and interest on bonds issued by the
 9 unit to pay for local public improvements that are physically
 10 located in or physically connected to that allocation area.
 11 (E) Pay premiums on the redemption before maturity of bonds
 12 payable solely or in part from allocated tax proceeds in that
 13 allocation area.
 14 (F) Make payments on leases payable from allocated tax
 15 proceeds in that allocation area under section 25.2 of this
 16 chapter.
 17 (G) Reimburse the unit for expenditures made by it for local
 18 public improvements (which include buildings, parking
 19 facilities, and other items described in section 25.1(a) of this
 20 chapter) that are physically located in or physically connected
 21 to that allocation area.
 22 (H) Reimburse the unit for rentals paid by it for a building or
 23 parking facility that is physically located in or physically
 24 connected to that allocation area under any lease entered into
 25 under IC 36-1-10.
 26 (I) For property taxes first due and payable before January 1,
 27 2009, pay all or a part of a property tax replacement credit to
 28 taxpayers in an allocation area as determined by the
 29 redevelopment commission. This credit equals the amount
 30 determined under the following STEPS for each taxpayer in a
 31 taxing district (as defined in IC 6-1.1-1-20) that contains all or
 32 part of the allocation area:
 33 STEP ONE: Determine that part of the sum of the amounts
 34 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 35 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 36 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 37 the taxing district.
 38 STEP TWO: Divide:
 39 (i) that part of each county's eligible property tax
 40 replacement amount (as defined in IC 6-1.1-21-2 (before its
 41 repeal)) for that year as determined under IC 6-1.1-21-4
 42 (before its repeal) that is attributable to the taxing district;



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



- 1 subdivision, any payments of premiums under this
- 2 subdivision on the redemption before maturity of bonds, and
- 3 any payments on leases payable under this subdivision.
- 4 (ii) Make any reimbursements required under this
- 5 subdivision.
- 6 (iii) Pay any expenses required under this subdivision.
- 7 (iv) Establish, augment, or restore any debt service reserve
- 8 under this subdivision.

9 **(M) Provide financial assistance under section 12.2(a)(28)**
 10 **of this chapter. The fiscal body of the unit that established**
 11 **the redevelopment commission must separately approve**
 12 **each grant, loan, or other expenditure for financial**
 13 **assistance that is funded from allocated property taxes**
 14 **under this clause. This clause expires July 1, 2019.**

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

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

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

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

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

41 The county auditor shall allocate to the respective taxing units
 42 the amount, if any, of excess assessed value determined by the



1 commission. The commission may not authorize an allocation
2 of assessed value to the respective taxing units under this
3 subdivision if to do so would endanger the interests of the
4 holders of bonds described in subdivision (3) or lessors under
5 section 25.3 of this chapter.

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

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

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

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

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

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

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



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

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

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



1 assessed values in the allocation area have been decreased due to
2 annual adjustments or the reassessment under the reassessment
3 plan.

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

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

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

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

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

20 (A) terminates the automatic extension of allocation deadlines
21 under subdivision (2); and

22 (B) specifically designates a particular date as the final
23 allocation deadline.

24 SECTION 3. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,
25 SECTION 744, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In carrying out its duties and
27 purposes under this chapter, the commission may do the following:

28 (1) Acquire by purchase, exchange, gift, grant, lease, or
29 condemnation, or any combination of methods, any real or
30 personal property or interest in property needed for the
31 redevelopment of areas needing redevelopment that are located
32 within the redevelopment district.

33 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
34 other instrument), exchange, lease, rent, invest in, or otherwise
35 dispose of, through any combination of methods, property
36 acquired for use in the redevelopment of areas needing
37 redevelopment on the terms and conditions that the commission
38 considers best for the city and its inhabitants.

39 (3) Acquire from and sell, lease, or grant interests in all or part of
40 the real property acquired for redevelopment purposes to any
41 other department of the city, or to any other governmental agency,
42 for public ways, levees, sewerage, parks, playgrounds, schools,



- 1 and other public purposes, on any terms that may be agreed upon.
- 2 (4) Clear real property acquired for redevelopment purposes.
- 3 (5) Enter on or into, inspect, investigate, and assess real property
- 4 and structures acquired or to be acquired for redevelopment
- 5 purposes to determine the existence, source, nature, and extent of
- 6 any environmental contamination, including the following:
- 7 (A) Hazardous substances.
- 8 (B) Petroleum.
- 9 (C) Other pollutants.
- 10 (6) Remediate environmental contamination, including the
- 11 following, found on any real property or structures acquired for
- 12 redevelopment purposes:
- 13 (A) Hazardous substances.
- 14 (B) Petroleum.
- 15 (C) Other pollutants.
- 16 (7) Repair and maintain structures acquired or to be acquired for
- 17 redevelopment purposes.
- 18 (8) Enter upon, survey, or examine any land, to determine whether
- 19 it should be included within an area needing redevelopment to be
- 20 acquired for redevelopment purposes, and determine the value of
- 21 that land.
- 22 (9) Appear before any other department or agency of the city, or
- 23 before any other governmental agency in respect to any matter
- 24 affecting:
- 25 (A) real property acquired or being acquired for
- 26 redevelopment purposes; or
- 27 (B) any area needing redevelopment within the jurisdiction of
- 28 the commission.
- 29 (10) Subject to section 13 of this chapter, exercise the power of
- 30 eminent domain in the name of the city, within the redevelopment
- 31 district, in the manner prescribed by this chapter.
- 32 (11) Establish a uniform fee schedule whenever appropriate for
- 33 the performance of governmental assistance, or for providing
- 34 materials and supplies to private persons in project or program
- 35 related activities.
- 36 (12) Expend, on behalf of the redevelopment district, all or any
- 37 part of the money available for the purposes of this chapter.
- 38 (13) Contract for the construction, extension, or improvement of
- 39 pedestrian skyways.
- 40 (14) Accept loans, grants, and other forms of financial assistance
- 41 from the federal government, the state government, a municipal
- 42 corporation, a special taxing district, a foundation, or any other



- 1 source.
- 2 (15) Provide financial assistance (including grants and loans) to
- 3 enable individuals and families to purchase or lease residential
- 4 units within the district. However, financial assistance may be
- 5 provided only to those individuals and families whose income is
- 6 at or below the county's median income for individuals and
- 7 families, respectively.
- 8 (16) Provide financial assistance (including grants and loans) to
- 9 neighborhood development corporations to permit them to:
- 10 (A) provide financial assistance for the purposes described in
- 11 subdivision (15); or
- 12 (B) construct, rehabilitate, or repair commercial property
- 13 within the district.
- 14 (17) Require as a condition of financial assistance to the owner of
- 15 a multiunit residential structure that any of the units leased by the
- 16 owner must be leased:
- 17 (A) for a period to be determined by the commission, which
- 18 may not be less than five (5) years;
- 19 (B) to families whose income does not exceed eighty percent
- 20 (80%) of the county's median income for families; and
- 21 (C) at an affordable rate.
- 22 Conditions imposed by the commission under this subdivision
- 23 remain in force throughout the period determined under clause
- 24 (A), even if the owner sells, leases, or conveys the property. The
- 25 subsequent owner or lessee is bound by the conditions for the
- 26 remainder of the period.
- 27 (18) Provide programs in job training, job enrichment, and basic
- 28 skill development for residents of an enterprise zone.
- 29 (19) Provide loans and grants for the purpose of stimulating
- 30 business activity in an enterprise zone or providing employment
- 31 for residents of an enterprise zone.
- 32 (20) Contract for the construction, extension, or improvement of:
- 33 (A) public ways, sidewalks, sewers, waterlines, parking
- 34 facilities, park or recreational areas, or other local public
- 35 improvements (as defined in IC 36-7-15.3-6) or structures that
- 36 are necessary for redevelopment of areas needing
- 37 redevelopment or economic development within the
- 38 redevelopment district; or
- 39 (B) any structure that enhances development or economic
- 40 development.
- 41 **(21) Subject to prior approval by the fiscal body of the unit**
- 42 **that established the redevelopment commission, provide**



1 **financial assistance (including grants and loans) to the owner**
 2 **of commercial property within a redevelopment project area**
 3 **or economic development area designated by the**
 4 **redevelopment commission under this chapter to assist the**
 5 **owner in constructing, rehabilitating, or repairing the**
 6 **commercial property. The fiscal body of the unit that**
 7 **established the redevelopment commission must separately**
 8 **approve each grant, loan, or other expenditure for financial**
 9 **assistance under this subdivision. The terms of any loan that**
 10 **is made under this subdivision may be changed only if the**
 11 **change is approved by the fiscal body of the unit that**
 12 **established the redevelopment commission. This subdivision**
 13 **expires July 1, 2019.**

14 (b) In addition to its powers under subsection (a), the commission
 15 may plan and undertake, alone or in cooperation with other agencies,
 16 projects for the redevelopment of, rehabilitating, preventing the spread
 17 of, or eliminating slums or areas needing redevelopment, both
 18 residential and nonresidential, which projects may include any of the
 19 following:

- 20 (1) The repair or rehabilitation of buildings or other
 21 improvements by the commission, owners, or tenants.
 22 (2) The acquisition of real property.
 23 (3) Either of the following with respect to environmental
 24 contamination on real property:
 25 (A) Investigation.
 26 (B) Remediation.
 27 (4) The demolition and removal of buildings or improvements on
 28 buildings acquired by the commission where necessary for any of
 29 the following:
 30 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.
 31 (B) To mitigate or eliminate environmental contamination.
 32 (C) To lessen density.
 33 (D) To reduce traffic hazards.
 34 (E) To eliminate obsolete or other uses detrimental to public
 35 welfare.
 36 (F) To otherwise remove or prevent the conditions described
 37 in IC 36-7-1-3.
 38 (G) To provide land for needed public facilities.
 39 (5) The preparation of sites and the construction of improvements
 40 (such as public ways and utility connections) to facilitate the sale
 41 or lease of property.
 42 (6) The construction of buildings or facilities for residential,



1 commercial, industrial, public, or other uses.

2 (7) The disposition in accordance with this chapter, for uses in
3 accordance with the plans for the projects, of any property
4 acquired in connection with the projects.

5 (c) The commission may use its powers under this chapter relative
6 to real property and interests in real property obtained by voluntary sale
7 or transfer, even though the real property and interests in real property
8 are not located in a redevelopment or urban renewal project area
9 established by the adoption and confirmation of a resolution under
10 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property
11 and interests in real property outside of a redevelopment or urban
12 renewal project area, the commission shall comply with section 12(b)
13 through 12(e) of this chapter. The commission shall hold, develop, use,
14 and dispose of this real property and interests in real property
15 substantially in accordance with section 15 of this chapter.

16 (d) As used in this section, "pedestrian skyway" means a pedestrian
17 walkway within or outside of the public right-of-way and through and
18 above public or private property and buildings, including all structural
19 supports required to connect skyways to buildings or buildings under
20 construction. Pedestrian skyways constructed, extended, or improved
21 over or through public or private property constitute public property
22 and public improvements, constitute a public use and purpose, and do
23 not require vacation of any public way or other property.

24 (e) All powers that may be exercised under this chapter by the
25 commission may also be exercised by the commission in carrying out
26 its duties and purposes under IC 36-7-15.3.

27 SECTION 4. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,
28 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2014]: Sec. 26. (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 resolution adopted under section
32 8 of this chapter refers for purposes of distribution and allocation of
33 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); 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); 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).

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).

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 Except as provided in section 26.2 of this chapter, "property taxes"
42 means taxes imposed under IC 6-1.1 on real property. However, upon



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

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

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

42 (A) the assessed value of the property for the assessment date



1 with respect to which the allocation and distribution is made;
 2 or
 3 (B) the base assessed value;
 4 shall be allocated to and, when collected, paid into the funds of
 5 the respective taxing units.
 6 (2) The excess of the proceeds of the property taxes imposed for
 7 the assessment date with respect to which the allocation and
 8 distribution is made that are attributable to taxes imposed after
 9 being approved by the voters in a referendum or local public
 10 question conducted after April 30, 2010, not otherwise included
 11 in subdivision (1) shall be allocated to and, when collected, paid
 12 into the funds of the taxing unit for which the referendum or local
 13 public question was conducted.
 14 (3) Except as otherwise provided in this section, property tax
 15 proceeds in excess of those described in subdivisions (1) and (2)
 16 shall be allocated to the redevelopment district and, when
 17 collected, paid into a special fund for that allocation area that may
 18 be used by the redevelopment district only to do one (1) or more
 19 of the following:
 20 (A) Pay the principal of and interest on any obligations
 21 payable solely from allocated tax proceeds that are incurred by
 22 the redevelopment district for the purpose of financing or
 23 refinancing the redevelopment of that allocation area.
 24 (B) Establish, augment, or restore the debt service reserve for
 25 bonds payable solely or in part from allocated tax proceeds in
 26 that allocation area.
 27 (C) Pay the principal of and interest on bonds payable from
 28 allocated tax proceeds in that allocation area and from the
 29 special tax levied under section 19 of this chapter.
 30 (D) Pay the principal of and interest on bonds issued by the
 31 consolidated city to pay for local public improvements that are
 32 physically located in or physically connected to that allocation
 33 area.
 34 (E) Pay premiums on the redemption before maturity of bonds
 35 payable solely or in part from allocated tax proceeds in that
 36 allocation area.
 37 (F) Make payments on leases payable from allocated tax
 38 proceeds in that allocation area under section 17.1 of this
 39 chapter.
 40 (G) Reimburse the consolidated city for expenditures for local
 41 public improvements (which include buildings, parking
 42 facilities, and other items set forth in section 17 of this



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



- 1 **clause. This clause expires July 1, 2019.**
 2 The special fund may not be used for operating expenses of the
 3 commission.
 4 (4) Before July 15 of each year, the commission shall do the
 5 following:
 6 (A) Determine the amount, if any, by which the assessed value
 7 of the taxable property in the allocation area for the most
 8 recent assessment date minus the base assessed value, when
 9 multiplied by the estimated tax rate of the allocation area will
 10 exceed the amount of assessed value needed to provide the
 11 property taxes necessary to make, when due, principal and
 12 interest payments on bonds described in subdivision (3) plus
 13 the amount necessary for other purposes described in
 14 subdivision (3) and subsection (g).
 15 (B) Provide a written notice to the county auditor, the
 16 legislative body of the consolidated city, and the officers who
 17 are authorized to fix budgets, tax rates, and tax levies under
 18 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 19 or partly located within the allocation area. The notice must:
 20 (i) state the amount, if any, of excess assessed value that the
 21 commission has determined may be allocated to the
 22 respective taxing units in the manner prescribed in
 23 subdivision (1); or
 24 (ii) state that the commission has determined that there is no
 25 excess assessed value that may be allocated to the respective
 26 taxing units in the manner prescribed in subdivision (1).
 27 The county auditor shall allocate to the respective taxing units
 28 the amount, if any, of excess assessed value determined by the
 29 commission. The commission may not authorize an allocation
 30 to the respective taxing units under this subdivision if to do so
 31 would endanger the interests of the holders of bonds described
 32 in subdivision (3).
 33 (c) For the purpose of allocating taxes levied by or for any taxing
 34 unit or units, the assessed value of taxable property in a territory in the
 35 allocation area that is annexed by any taxing unit after the effective
 36 date of the allocation provision of the resolution is the lesser of:
 37 (1) the assessed value of the property for the assessment date with
 38 respect to which the allocation and distribution is made; or
 39 (2) the base assessed value.
 40 (d) Property tax proceeds allocable to the redevelopment district
 41 under subsection (b)(3) may, subject to subsection (b)(4), be
 42 irrevocably pledged by the redevelopment district for payment as set



1 forth in subsection (b)(3).

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

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

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

13 (2) the base assessed value.

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

34 (1) To pay for programs in job training, job enrichment, and basic
35 skill development designed to benefit residents and employers in
36 the enterprise zone. The programs must reserve at least one-half
37 (1/2) of the enrollment in any session for residents of the
38 enterprise zone.

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



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



1 under subdivision (2); and
2 (B) specifically designates a particular date as the final
3 allocation deadline.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 156, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 16, after "property." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. A redevelopment commission may not provide financial assistance under this subdivision after June 30, 2019.**".

Page 4, line 18, after "if this subdivision" insert "**(excluding the requirement of prior approval by the fiscal body)**".

Page 10, line 1, after "chapter." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance that is funded from allocated property taxes under this clause. This clause expires July 1, 2019.**".

Page 15, line 35, after "property." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. This subdivision expires July 1, 2019.**".

Page 21, line 19, after "chapter." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance that is funded from allocated property taxes under this clause. This clause expires July 1, 2019.**".

and when so amended that said bill do pass.

(Reference is to HB 156 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 1.

SB 156—LS 6255/DI 73

