



Reprinted  
January 31, 2014

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## SENATE BILL No. 156

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DIGEST OF SB 156 (Updated January 30, 2014 2:17 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. Specifies that these provisions do not apply to Clark County or to a redevelopment commission in Clark County. Specifies the procedure for fiscal body approval under these provisions in the case of a redevelopment commission that was jointly established by more than one unit.

**Effective:** July 1, 2014.

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## Head, Buck, Broden

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January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.  
January 23, 2014, amended, reported favorably — Do Pass.  
January 30, 2014, read second time, amended, ordered engrossed.

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SB 156—LS 6255/DI 73





Reprinted  
January 31, 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

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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

SB 156—LS 6255/DI 73



- 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) This subdivision does not apply to Clark County or to a**  
 10 **redevelopment commission in Clark County. Subject to prior**  
 11 **approval by the fiscal body of the unit that established the**  
 12 **redevelopment commission, provide financial assistance**  
 13 **(including grants and loans) to the owner of commercial**  
 14 **property within a redevelopment project area or economic**  
 15 **development area designated by the redevelopment**  
 16 **commission under this chapter to assist the owner in**  
 17 **constructing, rehabilitating, or repairing the commercial**  
 18 **property. The fiscal body of the unit that established the**  
 19 **redevelopment commission must separately approve each**  
 20 **grant, loan, or other expenditure for financial assistance**  
 21 **under this subdivision. The terms of any loan that is made**  
 22 **under this subdivision may be changed only if the change is**  
 23 **approved by the fiscal body of the unit that established the**  
 24 **redevelopment commission. A redevelopment commission**  
 25 **may not provide financial assistance under this subdivision**  
 26 **after June 30, 2019. Financial assistance approved or**  
 27 **provided before July 1, 2013, that would have been authorized**  
 28 **by this subdivision if this subdivision (excluding the**  
 29 **requirement of prior approval by the fiscal body) had been in**  
 30 **effect when the assistance was approved or provided is**  
 31 **legalized and validated. In the case of a redevelopment**  
 32 **commission that was jointly established by more than one (1)**  
 33 **unit, any approvals by a fiscal body that are required under**  
 34 **this subdivision must be made by the fiscal body of the unit in**  
 35 **which the commercial property is located. If the commercial**  
 36 **property is located in more than one (1) unit that participated**  
 37 **in the joint establishment of the redevelopment commission,**  
 38 **the approval must be made by the fiscal body of the unit that**  
 39 **meets all of the following conditions:**

40 (A) The unit participated in the joint establishment of the  
 41 redevelopment commission.

42 (B) The commercial property is located in whole or in part



1           **in the unit.**

2           **(C) The unit has the greatest assessed valuation of any of**  
 3           **the units that meet the conditions of clauses (A) and (B).**

4           (b) Conditions imposed by the commission under subsection (a)(27)  
 5 remain in force throughout the period determined under subsection  
 6 (a)(27)(A), even if the owner sells, leases, or conveys the property. The  
 7 subsequent owner or lessee is bound by the conditions for the  
 8 remainder of the period.

9           (c) As used in this section, "pedestrian skyway" means a pedestrian  
 10 walkway within or outside of the public right-of-way and through and  
 11 above public or private property and buildings, including all structural  
 12 supports required to connect skyways to buildings or buildings under  
 13 construction. Pedestrian skyways constructed, extended, or improved  
 14 over or through public or private property constitute public property  
 15 and public improvements, constitute a public use and purpose, and do  
 16 not require vacation of any public way or other property.

17           (d) All powers that may be exercised under this chapter by the  
 18 redevelopment commission may also be exercised by the  
 19 redevelopment commission in carrying out its duties and purposes  
 20 under IC 36-7-14.5.

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

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

28           "Base assessed value" means the following:

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

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

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

41           (2) If an allocation provision is adopted after June 30, 1997, in a  
 42 declaratory resolution or an amendment to a declaratory



1 resolution establishing a redevelopment project area:

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

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

11 (3) If:

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

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

18 the net assessed value of all the property as finally determined for  
19 the assessment date immediately preceding the effective date of  
20 the allocation provision adopted after June 30, 1997, as adjusted  
21 under subsection (h).

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

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

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

35 Except as provided in section 39.3 of this chapter, "property taxes"  
36 means taxes imposed under IC 6-1.1 on real property. However, upon  
37 approval by a resolution of the redevelopment commission adopted  
38 before June 1, 1987, "property taxes" also includes taxes imposed  
39 under IC 6-1.1 on depreciable personal property. If a redevelopment  
40 commission adopted before June 1, 1987, a resolution to include within  
41 the definition of property taxes taxes imposed under IC 6-1.1 on  
42 depreciable personal property that has a useful life in excess of eight





1 (8) years, the commission may by resolution determine the percentage  
2 of taxes imposed under IC 6-1.1 on all depreciable personal property  
3 that will be included within the definition of property taxes. However,  
4 the percentage included must not exceed twenty-five percent (25%) of  
5 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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

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

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

39 (B) the base assessed value;

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

42 (2) The excess of the proceeds of the property taxes imposed for



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

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

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

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

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

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

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

30 (F) Make payments on leases payable from allocated tax  
 31 proceeds in that allocation area under section 25.2 of this  
 32 chapter.

33 (G) Reimburse the unit for expenditures made by it for local  
 34 public improvements (which include buildings, parking  
 35 facilities, and other items described in section 25.1(a) of this  
 36 chapter) that are physically located in or physically connected  
 37 to that allocation area.

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

42 (I) For property taxes first due and payable before January 1,



1 2009, pay all or a part of a property tax replacement credit to  
 2 taxpayers in an allocation area as determined by the  
 3 redevelopment commission. This credit equals the amount  
 4 determined under the following STEPS for each taxpayer in a  
 5 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
 6 part of the allocation area:

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

12 STEP TWO: Divide:

- 13 (i) that part of each county's eligible property tax  
 14 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 15 repeal)) for that year as determined under IC 6-1.1-21-4  
 16 (before its repeal) that is attributable to the taxing district;  
 17 by  
 18 (ii) the STEP ONE sum.

19 STEP THREE: Multiply:

- 20 (i) the STEP TWO quotient; times  
 21 (ii) the total amount of the taxpayer's taxes (as defined in  
 22 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 23 that have been allocated during that year to an allocation  
 24 fund under this section.

25 If not all the taxpayers in an allocation area receive the credit  
 26 in full, each taxpayer in the allocation area is entitled to  
 27 receive the same proportion of the credit. A taxpayer may not  
 28 receive a credit under this section and a credit under section  
 29 39.5 of this chapter (before its repeal) in the same year.

30 (J) Pay expenses incurred by the redevelopment commission  
 31 for local public improvements that are in the allocation area or  
 32 serving the allocation area. Public improvements include  
 33 buildings, parking facilities, and other items described in  
 34 section 25.1(a) of this chapter.

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

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

42 However, the total amount of money spent for this purpose in



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

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

14 (i) Make, when due, any payments required under clauses  
 15 (A) through (K), including any payments of principal and  
 16 interest on bonds and other obligations payable under this  
 17 subdivision, any payments of premiums under this  
 18 subdivision on the redemption before maturity of bonds, and  
 19 any payments on leases payable under this subdivision.

20 (ii) Make any reimbursements required under this  
 21 subdivision.

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

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

25 **(M) This clause does not apply to Clark County or to a**  
 26 **redevelopment commission in Clark County. Provide**  
 27 **financial assistance under section 12.2(a)(28) of this**  
 28 **chapter. The fiscal body of the unit that established the**  
 29 **redevelopment commission must separately approve each**  
 30 **grant, loan, or other expenditure for financial assistance**  
 31 **that is funded from allocated property taxes under this**  
 32 **clause. In the case of a redevelopment commission that was**  
 33 **jointly established by more than one (1) unit, any**  
 34 **approvals by a fiscal body that are required under this**  
 35 **clause must be made by the fiscal body of the unit in which**  
 36 **the commercial property is located. If the commercial**  
 37 **property is located in more than one (1) unit that**  
 38 **participated in the joint establishment of the**  
 39 **redevelopment commission, the approval must be made by**  
 40 **the fiscal body of the unit that meets all of the following**  
 41 **conditions:**

42 (i) The unit participated in the joint establishment of the



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**redevelopment commission.**

**(ii) The commercial property is located in whole or in part in the unit.**

**(iii) The unit has the greatest assessed valuation of any of the units that meet the conditions of items (i) and (ii).**

**This clause expires July 1, 2019.**

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

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

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

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, 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) 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); or

(ii) 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).

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 of assessed value 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) or lessors under section 25.3 of this chapter.

(c) 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



1 date of the allocation provision of the declaratory resolution is the  
2 lesser of:

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

5 (2) the base assessed value.

6 (d) Property tax proceeds allocable to the redevelopment district  
7 under subsection (b)(3) may, subject to subsection (b)(4), be  
8 irrevocably pledged by the redevelopment district for payment as set  
9 forth in subsection (b)(3).

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

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

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

21 (2) the base assessed value.

22 (g) If any part of the allocation area is located in an enterprise zone  
23 created under IC 5-28-15, the unit that designated the allocation area  
24 shall create funds as specified in this subsection. A unit that has  
25 obligations, bonds, or leases payable from allocated tax proceeds under  
26 subsection (b)(3) shall establish an allocation fund for the purposes  
27 specified in subsection (b)(3) and a special zone fund. Such a unit  
28 shall, until the end of the enterprise zone phase out period, deposit each  
29 year in the special zone fund any amount in the allocation fund derived  
30 from property tax proceeds in excess of those described in subsection  
31 (b)(1) and (b)(2) from property located in the enterprise zone that  
32 exceeds the amount sufficient for the purposes specified in subsection  
33 (b)(3) for the year. The amount sufficient for purposes specified in  
34 subsection (b)(3) for the year shall be determined based on the pro rata  
35 portion of such current property tax proceeds from the part of the  
36 enterprise zone that is within the allocation area as compared to all  
37 such current property tax proceeds derived from the allocation area. A  
38 unit that has no obligations, bonds, or leases payable from allocated tax  
39 proceeds under subsection (b)(3) shall establish a special zone fund  
40 and deposit all the property tax proceeds in excess of those described  
41 in subsection (b)(1) and (b)(2) in the fund derived from property tax  
42 proceeds in excess of those described in subsection (b)(1) and (b)(2)



1 from property located in the enterprise zone. The unit that creates the  
 2 special zone fund shall use the fund (based on the recommendations of  
 3 the urban enterprise association) for programs in job training, job  
 4 enrichment, and basic skill development that are designed to benefit  
 5 residents and employers in the enterprise zone or other purposes  
 6 specified in subsection (b)(3), except that where reference is made in  
 7 subsection (b)(3) to allocation area it shall refer for purposes of  
 8 payments from the special zone fund only to that part of the allocation  
 9 area that is also located in the enterprise zone. Those programs shall  
 10 reserve at least one-half (1/2) of their enrollment in any session for  
 11 residents of the enterprise zone.

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

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

29 (2) may not produce less property tax proceeds allocable to the  
 30 redevelopment district under subsection (b)(3) than would  
 31 otherwise have been received if the general reassessment, the  
 32 reassessment under the reassessment plan, or the annual  
 33 adjustment had not occurred; and

34 (3) may decrease base assessed value only to the extent that  
 35 assessed values in the allocation area have been decreased due to  
 36 annual adjustments or the reassessment under the reassessment  
 37 plan.

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



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

- 3 (1) The initial allocation deadline is December 31, 2011.
- 4 (2) Subject to subdivision (3), the initial allocation deadline and  
5 subsequent allocation deadlines are automatically extended in  
6 increments of five (5) years, so that allocation deadlines  
7 subsequent to the initial allocation deadline fall on December 31,  
8 2016, and December 31 of each fifth year thereafter.
- 9 (3) At least one (1) year before the date of an allocation deadline  
10 determined under subdivision (2), the general assembly may enact  
11 a law that:
  - 12 (A) terminates the automatic extension of allocation deadlines  
13 under subdivision (2); and
  - 14 (B) specifically designates a particular date as the final  
15 allocation deadline.

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

- 20 (1) Acquire by purchase, exchange, gift, grant, lease, or  
21 condemnation, or any combination of methods, any real or  
22 personal property or interest in property needed for the  
23 redevelopment of areas needing redevelopment that are located  
24 within the redevelopment district.
- 25 (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
26 other instrument), exchange, lease, rent, invest in, or otherwise  
27 dispose of, through any combination of methods, property  
28 acquired for use in the redevelopment of areas needing  
29 redevelopment on the terms and conditions that the commission  
30 considers best for the city and its inhabitants.
- 31 (3) Acquire from and sell, lease, or grant interests in all or part of  
32 the real property acquired for redevelopment purposes to any  
33 other department of the city, or to any other governmental agency,  
34 for public ways, levees, sewerage, parks, playgrounds, schools,  
35 and other public purposes, on any terms that may be agreed upon.
- 36 (4) Clear real property acquired for redevelopment purposes.
- 37 (5) Enter on or into, inspect, investigate, and assess real property  
38 and structures acquired or to be acquired for redevelopment  
39 purposes to determine the existence, source, nature, and extent of  
40 any environmental contamination, including the following:
  - 41 (A) Hazardous substances.
  - 42 (B) Petroleum.





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



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



1 assistance under this subdivision. The terms of any loan that  
 2 is made under this subdivision may be changed only if the  
 3 change is approved by the fiscal body of the unit that  
 4 established the redevelopment commission. In the case of a  
 5 redevelopment commission that was jointly established by  
 6 more than one (1) unit, any approvals by a fiscal body that are  
 7 required under this subdivision must be made by the fiscal  
 8 body of the unit in which the commercial property is located.  
 9 If the commercial property is located in more than one (1)  
 10 unit that participated in the joint establishment of the  
 11 redevelopment commission, the approval must be made by the  
 12 fiscal body of the unit that meets all of the following  
 13 conditions:

14 (A) The unit participated in the joint establishment of the  
 15 redevelopment commission.

16 (B) The commercial property is located in whole or in part  
 17 in the unit.

18 (C) The unit has the greatest assessed valuation of any of  
 19 the units that meet the conditions of clauses (A) and (B).

20 **This subdivision expires July 1, 2019.**

21 (b) In addition to its powers under subsection (a), the commission  
 22 may plan and undertake, alone or in cooperation with other agencies,  
 23 projects for the redevelopment of, rehabilitating, preventing the spread  
 24 of, or eliminating slums or areas needing redevelopment, both  
 25 residential and nonresidential, which projects may include any of the  
 26 following:

27 (1) The repair or rehabilitation of buildings or other  
 28 improvements by the commission, owners, or tenants.

29 (2) The acquisition of real property.

30 (3) Either of the following with respect to environmental  
 31 contamination on real property:

32 (A) Investigation.

33 (B) Remediation.

34 (4) The demolition and removal of buildings or improvements on  
 35 buildings acquired by the commission where necessary for any of  
 36 the following:

37 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.

38 (B) To mitigate or eliminate environmental contamination.

39 (C) To lessen density.

40 (D) To reduce traffic hazards.

41 (E) To eliminate obsolete or other uses detrimental to public  
 42 welfare.



- 1 (F) To otherwise remove or prevent the conditions described
- 2 in IC 36-7-1-3.
- 3 (G) To provide land for needed public facilities.
- 4 (5) The preparation of sites and the construction of improvements
- 5 (such as public ways and utility connections) to facilitate the sale
- 6 or lease of property.
- 7 (6) The construction of buildings or facilities for residential,
- 8 commercial, industrial, public, or other uses.
- 9 (7) The disposition in accordance with this chapter, for uses in
- 10 accordance with the plans for the projects, of any property
- 11 acquired in connection with the projects.
- 12 (c) The commission may use its powers under this chapter relative
- 13 to real property and interests in real property obtained by voluntary sale
- 14 or transfer, even though the real property and interests in real property
- 15 are not located in a redevelopment or urban renewal project area
- 16 established by the adoption and confirmation of a resolution under
- 17 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property
- 18 and interests in real property outside of a redevelopment or urban
- 19 renewal project area, the commission shall comply with section 12(b)
- 20 through 12(e) of this chapter. The commission shall hold, develop, use,
- 21 and dispose of this real property and interests in real property
- 22 substantially in accordance with section 15 of this chapter.
- 23 (d) As used in this section, "pedestrian skyway" means a pedestrian
- 24 walkway within or outside of the public right-of-way and through and
- 25 above public or private property and buildings, including all structural
- 26 supports required to connect skyways to buildings or buildings under
- 27 construction. Pedestrian skyways constructed, extended, or improved
- 28 over or through public or private property constitute public property
- 29 and public improvements, constitute a public use and purpose, and do
- 30 not require vacation of any public way or other property.
- 31 (e) All powers that may be exercised under this chapter by the
- 32 commission may also be exercised by the commission in carrying out
- 33 its duties and purposes under IC 36-7-15.3.
- 34 SECTION 4. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,
- 35 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 JULY 1, 2014]: Sec. 26. (a) As used in this section:
- 37 "Allocation area" means that part of a redevelopment project area
- 38 to which an allocation provision of a resolution adopted under section
- 39 8 of this chapter refers for purposes of distribution and allocation of
- 40 property taxes.
- 41 "Base assessed value" means the following:
- 42 (1) If an allocation provision is adopted after June 30, 1995, in a



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



1 area added after June 30, 1995.

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

6 Except as provided in section 26.2 of this chapter, "property taxes"  
7 means taxes imposed under IC 6-1.1 on real property. However, upon  
8 approval by a resolution of the redevelopment commission adopted  
9 before June 1, 1987, "property taxes" also includes taxes imposed  
10 under IC 6-1.1 on depreciable personal property. If a redevelopment  
11 commission adopted before June 1, 1987, a resolution to include within  
12 the definition of property taxes taxes imposed under IC 6-1.1 on  
13 depreciable personal property that has a useful life in excess of eight  
14 (8) years, the commission may by resolution determine the percentage  
15 of taxes imposed under IC 6-1.1 on all depreciable personal property  
16 that will be included within the definition of property taxes. However,  
17 the percentage included must not exceed twenty-five percent (25%) of  
18 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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



1 The allocation provision must require that any property taxes  
 2 subsequently levied by or for the benefit of any public body entitled to  
 3 a distribution of property taxes on taxable property in the allocation  
 4 area be allocated and distributed as follows:

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

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

9 or

10 (B) the base assessed value;

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

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

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

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

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

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

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

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



- 1 allocation area.
- 2 (F) Make payments on leases payable from allocated tax  
3 proceeds in that allocation area under section 17.1 of this  
4 chapter.
- 5 (G) Reimburse the consolidated city for expenditures for local  
6 public improvements (which include buildings, parking  
7 facilities, and other items set forth in section 17 of this  
8 chapter) that are physically located in or physically connected  
9 to that allocation area.
- 10 (H) Reimburse the unit for rentals paid by it for a building or  
11 parking facility that is physically located in or physically  
12 connected to that allocation area under any lease entered into  
13 under IC 36-1-10.
- 14 (I) Reimburse public and private entities for expenses incurred  
15 in training employees of industrial facilities that are located:  
16 (i) in the allocation area; and  
17 (ii) on a parcel of real property that has been classified as  
18 industrial property under the rules of the department of local  
19 government finance.
- 20 However, the total amount of money spent for this purpose in  
21 any year may not exceed the total amount of money in the  
22 allocation fund that is attributable to property taxes paid by the  
23 industrial facilities described in this clause. The  
24 reimbursements under this clause must be made within three  
25 (3) years after the date on which the investments that are the  
26 basis for the increment financing are made.
- 27 (J) Pay the costs of carrying out an eligible efficiency project  
28 (as defined in IC 36-9-41-1.5) within the unit that established  
29 the redevelopment commission. However, property tax  
30 proceeds may be used under this clause to pay the costs of  
31 carrying out an eligible efficiency project only if those  
32 property tax proceeds exceed the amount necessary to do the  
33 following:
- 34 (i) Make, when due, any payments required under clauses  
35 (A) through (I), including any payments of principal and  
36 interest on bonds and other obligations payable under this  
37 subdivision, any payments of premiums under this  
38 subdivision on the redemption before maturity of bonds, and  
39 any payments on leases payable under this subdivision.
- 40 (ii) Make any reimbursements required under this  
41 subdivision.
- 42 (iii) Pay any expenses required under this subdivision.





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

**(K) Provide financial assistance under section 7(a)(21) of this chapter. 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. In the case of a redevelopment commission that was jointly established by more than one (1) unit, any approvals by a fiscal body that are required under this clause must be made by the fiscal body of the unit in which the commercial property is located. If the commercial property is located in more than one (1) unit that participated in the joint establishment of the redevelopment commission, the approval must be made by the fiscal body of the unit that meets all of the following conditions:**

- (i) The unit participated in the joint establishment of the redevelopment commission.**
- (ii) The commercial property is located in whole or in part in the unit.**
- (iii) The unit has the greatest assessed valuation of any of the units that meet the conditions of items (i) and (ii).**

**This clause expires July 1, 2019.**

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:

- (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).
- (B) 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:



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

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

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

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

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

21 (d) Property tax proceeds allocable to the redevelopment district  
 22 under subsection (b)(3) may, subject to subsection (b)(4), be  
 23 irrevocably pledged by the redevelopment district for payment as set  
 24 forth in subsection (b)(3).

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

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

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

37 (g) If any part of the allocation area is located in an enterprise zone  
 38 created under IC 5-28-15, the unit that designated the allocation area  
 39 shall create funds as specified in this subsection. A unit that has  
 40 obligations, bonds, or leases payable from allocated tax proceeds under  
 41 subsection (b)(3) shall establish an allocation fund for the purposes  
 42 specified in subsection (b)(3) and a special zone fund. Such a unit



1 shall, until the end of the enterprise zone phase out period, deposit each  
 2 year in the special zone fund the amount in the allocation fund derived  
 3 from property tax proceeds in excess of those described in subsection  
 4 (b)(1) and (b)(2) from property located in the enterprise zone that  
 5 exceeds the amount sufficient for the purposes specified in subsection  
 6 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 7 payable from allocated tax proceeds under subsection (b)(3) shall  
 8 establish a special zone fund and deposit all the property tax proceeds  
 9 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 10 derived from property tax proceeds in excess of those described in  
 11 subsection (b)(1) and (b)(2) from property located in the enterprise  
 12 zone. The unit that creates the special zone fund shall use the fund,  
 13 based on the recommendations of the urban enterprise association, for  
 14 one (1) or more of the following purposes:

15 (1) To pay for programs in job training, job enrichment, and basic  
 16 skill development designed to benefit residents and employers in  
 17 the enterprise zone. The programs must reserve at least one-half  
 18 (1/2) of the enrollment in any session for residents of the  
 19 enterprise zone.

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

24 (A) Businesses operating in the enterprise zone.

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

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

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



1 value to neutralize any effect of the annual adjustment on the property  
2 tax proceeds allocated to the redevelopment district under this section.  
3 However, the adjustments under this subsection may not include the  
4 effect of property tax abatements under IC 6-1.1-12.1, and these  
5 adjustments may not produce less property tax proceeds allocable to  
6 the redevelopment district under subsection (b)(3) than would  
7 otherwise have been received if the general reassessment, reassessment  
8 under the reassessment plan, or annual adjustment had not occurred.  
9 The department of local government finance may prescribe procedures  
10 for county and township officials to follow to assist the department in  
11 making the adjustments.

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

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

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

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

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

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



## 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



## SENATE MOTION

Madam President: I move that Senate Bill 156 be amended to read as follows:

Page 4, line 9, after "(28)" insert "**This subdivision does not apply to Clark County or to a redevelopment commission in Clark County.**".

Page 10, line 9, after "(M)" insert "**This clause does not apply to Clark County or to a redevelopment commission in Clark County.**".

(Reference is to SB 156 as printed January 24, 2014.)

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 SENATE MOTION

Madam President: I move that Senate Bill 156 be amended to read as follows:

Page 4, line 29, after "validated." insert "**In the case of a redevelopment commission that was jointly established by more than one (1) unit, any approvals by a fiscal body that are required under this subdivision must be made by the fiscal body of the unit in which the commercial property is located. If the commercial property is located in more than one (1) unit that participated in the joint establishment of the redevelopment commission, the approval must be made by the fiscal body of the unit that meets all of the following conditions:**

(A) **The unit participated in the joint establishment of the redevelopment commission.**

(B) **The commercial property is located in whole or in part in the unit.**

(C) **The unit has the greatest assessed valuation of any of the units that meet the conditions of clauses (A) and (B).**".

Page 10, line 14, after "under this clause." insert "**In the case of a redevelopment commission that was jointly established by more than one (1) unit, any approvals by a fiscal body that are required under this clause must be made by the fiscal body of the unit in which the commercial property is located. If the commercial property is located in more than one (1) unit that participated in the joint establishment of the redevelopment commission, the approval must be made by the fiscal body of the unit that meets all**



of the following conditions:

- (i) The unit participated in the joint establishment of the redevelopment commission.
- (ii) The commercial property is located in whole or in part in the unit.
- (iii) The unit has the greatest assessed valuation of any of the units that meet the conditions of items (i) and (ii)."

Page 10, line 14, before "This clause" begin a new line double block indented.

Page 16, line 12, after "commission." insert **"In the case of a redevelopment commission that was jointly established by more than one (1) unit, any approvals by a fiscal body that are required under this subdivision must be made by the fiscal body of the unit in which the commercial property is located. If the commercial property is located in more than one (1) unit that participated in the joint establishment of the redevelopment commission, the approval must be made by the fiscal body of the unit that meets all of the following conditions:**

- (A) The unit participated in the joint establishment of the redevelopment commission.
- (B) The commercial property is located in whole or in part in the unit.
- (C) The unit has the greatest assessed valuation of any of the units that meet the conditions of clauses (A) and (B)."

Page 16, line 12, before "This subdivision" begin a new line block indented.

Page 22, line 1, after "clause." insert **"In the case of a redevelopment commission that was jointly established by more than one (1) unit, any approvals by a fiscal body that are required under this clause must be made by the fiscal body of the unit in which the commercial property is located. If the commercial property is located in more than one (1) unit that participated in the joint establishment of the redevelopment commission, the approval must be made by the fiscal body of the unit that meets all of the following conditions:**

- (i) The unit participated in the joint establishment of the redevelopment commission.
- (ii) The commercial property is located in whole or in part in the unit.



**(iii) The unit has the greatest assessed valuation of any of the units that meet the conditions of items (i) and (ii)."**

Page 22, line 1, before "This clause" begin a new line double block indented.

(Reference is to SB 156 as printed January 24, 2014.)

HEAD

