

SENATE BILL No. 196

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3.5-11; IC 36-7.

Synopsis: Elimination of annual adjustments of assessed values. Eliminates the annual adjustments (or "trending") to assessed values of certain real property for assessment dates beginning after December 31, 2018. Does not eliminate trending for agricultural land. Retains the provisions in current law that require four year cyclical reassessments. Makes conforming changes. Makes technical corrections.

Effective: January 1, 2019.

Niemeyer

January 3, 2018, read first time and referred to Committee on Appropriations.



Second Regular Session 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

SENATE BILL No. 196

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

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

1 SECTION 1. IC 6-1.1-4-4.4, AS AMENDED BY P.L.245-2015,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2019]: Sec. 4.4. (a) This section applies to an assessment
4 under section 4.2 or ~~4.5~~ **13.2** of this chapter or another law.

5 (b) If the assessor changes the underlying parcel characteristics,
6 including age, grade, or condition of a property, from the previous
7 ~~year's~~ assessment date, the assessor shall document:

- 8 (1) each change; and
- 9 (2) the reason that each change was made.

10 In any appeal of the assessment, the assessor has the burden of proving
11 that each change was valid.

12 SECTION 2. IC 6-1.1-4-4.5 IS REPEALED [EFFECTIVE
13 JANUARY 1, 2019]. ~~Sec. 4.5: (a) The department of local government~~
14 ~~finance shall adopt rules establishing a system for annually adjusting~~
15 ~~the assessed value of real property to account for changes in value in~~
16 ~~those years since a reassessment under section 4 or 4.2 of this chapter~~
17 ~~for the property last took effect.~~



1 (b) Subject to subsection (c), the system must be applied to adjust
 2 assessed values beginning with the 2006 assessment date and each year
 3 thereafter that is not a year in which a reassessment under section 4 or
 4 4.2 of this chapter for the property becomes effective.

5 (c) The rules adopted under subsection (a) must include the
 6 following characteristics in the system:

7 (1) Promote uniform and equal assessment of real property within
 8 and across classifications:

9 (2) Require that assessing officials:

10 (A) reevaluate the factors that affect value;

11 (B) express the interactions of those factors mathematically;

12 (C) use mass appraisal techniques to estimate updated property
 13 values within statistical measures of accuracy; and

14 (D) provide notice to taxpayers of an assessment increase that
 15 results from the application of annual adjustments.

16 (3) Prescribe procedures that permit the application of the
 17 adjustment percentages in an efficient manner by assessing
 18 officials:

19 (d) The department of local government finance must review and
 20 certify each annual adjustment determined under this section:

21 (e) In making the annual determination of the base rate to satisfy the
 22 requirement for an annual adjustment under subsection (c) for the
 23 January 1, 2016, assessment date and each assessment date thereafter,
 24 the department of local government finance shall *not later than March*
 25 *1 of each year* determine the base rate using the methodology reflected
 26 in Table 2-18 of Book 1, Chapter 2 of the department of local
 27 government finance's Real Property Assessment Guidelines (as in
 28 effect on January 1, 2005); except that the department shall adjust the
 29 methodology as follows:

30 (1) Use a six (6) year rolling average adjusted under subdivision
 31 (3) instead of a four (4) year rolling average:

32 (2) Use *the* data from the six (6) most recent years preceding the
 33 year in which the assessment date occurs *for which data is*
 34 *available*, before one (1) of those six (6) years is eliminated under
 35 subdivision (3) when determining the rolling average:

36 (3) Eliminate in the calculation of the rolling average the year
 37 among the six (6) years for which the highest market value in use
 38 of agricultural land is determined:

39 (4) After determining a preliminary base rate that would apply for
 40 the assessment date without applying the adjustment under this
 41 subdivision, the department of local government finance shall
 42 adjust the preliminary base rate as follows:



- 1 (A) If the preliminary base rate for the assessment date would
 2 be at least ten percent (10%) greater than the final base rate
 3 determined for the preceding assessment date; a capitalization
 4 rate of eight percent (8%) shall be used to determine the final
 5 base rate.
- 6 (B) If the preliminary base rate for the assessment date would
 7 be at least ten percent (10%) less than the final base rate
 8 determined for the preceding assessment date; a capitalization
 9 rate of six percent (6%) shall be used to determine the final
 10 base rate.
- 11 (C) If neither clause (A) nor clause (B) applies; a capitalization
 12 rate of seven percent (7%) shall be used to determine the final
 13 base rate.
- 14 (D) In the case of a market value in use for a year that is used
 15 in the calculation of the six (6) year rolling average under
 16 subdivision (1) for purposes of determining the base rate for
 17 the assessment date:
- 18 (i) that market value in use shall be recalculated by using the
 19 capitalization rate determined under clauses (A) through (C)
 20 for the calculation of the base rate for the assessment date;
 21 and
- 22 (ii) the market value in use recalculated under item (i) shall
 23 be used in the calculation of the six (6) year rolling average
 24 under subdivision (1).
- 25 (f) For assessment dates after December 31, 2009; an adjustment in
 26 the assessed value of real property under this section shall be based on
 27 the estimated true tax value of the property on the assessment date that
 28 is the basis for taxes payable on that real property.
- 29 (g) *The department shall release the department's annual*
 30 *determination of the base rate on or before March 1 of each year.*
- 31 SECTION 3. IC 6-1.1-4-4.6 IS REPEALED [EFFECTIVE
 32 JANUARY 1, 2019]. Sec. 4-6. (a) If a county assessor fails before July
 33 2 of a particular year for which an adjustment to the assessed value of
 34 real property applies under section 4.5 of this chapter to prepare and
 35 deliver to the county auditor a complete detailed list of all of the real
 36 property listed for taxation in the county as required by IC 6-1.1-5-14
 37 and at least one hundred eighty (180) days have elapsed after the
 38 deadline specified in IC 6-1.1-5-14 for the county assessor to deliver
 39 the list, the department of local government finance may develop
 40 annual adjustment factors under this section for that year. In developing
 41 annual adjustment factors under this section, the department of local
 42 government finance shall use data in its possession that is obtained



1 from:

2 (1) the county assessor; or

3 (2) any of the sources listed in the rule, including county or state
4 sales data, government studies, ratio studies, cost and depreciation
5 tables; and other market analyses.

6 (b) Using the data described in subsection (a), the department of
7 local government finance shall propose to establish annual adjustment
8 factors for the affected tax districts for one (1) or more of the classes
9 of real property. The proposal may provide for the equalization of
10 annual adjustment factors in the affected township or county and in
11 adjacent areas. The department of local government finance shall issue
12 notice and provide opportunity for hearing in accordance with
13 IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final
14 annual adjustment factors.

15 (c) The annual adjustment factors finally determined by the
16 department of local government finance after the hearing required
17 under subsection (b) apply to the annual adjustment of real property
18 under section 4.5 of this chapter for:

19 (1) the assessment date; and

20 (2) the real property;

21 specified in the final determination of the department of local
22 government finance.

23 SECTION 4. IC 6-1.1-4-4.9 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
25 JANUARY 1, 2019]: **Sec. 4.9. Except as provided in section 13.2 of
26 this chapter, the annual adjustments to assessed value of real
27 property under section 4.5 of this chapter (before its repeal on
28 January 1, 2019) and section 4.6 of this chapter (before its repeal
29 on January 1, 2019) apply only to assessment dates before January
30 1, 2019, and may not be applied for an assessment date after
31 December 31, 2018.**

32 SECTION 5. IC 6-1.1-4-13.2, AS AMENDED BY P.L.180-2016,
33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2019]: **Sec. 13.2. (a) The assessed value of
35 agricultural land shall be annually adjusted to account for changes
36 in value in those years since a reassessment under section 4.2 of
37 this chapter for the property last took effect.**

38 (b) The department of local government finance shall review
39 and certify each annual adjustment determined for agricultural
40 land under this section.

41 (c) Notwithstanding the provisions of this chapter and any real
42 property assessment guidelines of the department of local government



1 finance, for the property tax assessment of agricultural land for the
2 2015 assessment date, the statewide agricultural land base rate value
3 per acre used to determine the value of agricultural land is two
4 thousand fifty dollars (\$2,050).

5 **(d) In making the annual determination of the base rate to**
6 **satisfy the requirement for an annual adjustment under subsection**
7 **(a) for the January 1, 2016, assessment date and each assessment**
8 **date thereafter, the department of local government finance shall**
9 **not later than March 1 of each year determine the base rate using**
10 **the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the**
11 **department of local government finance's Real Property**
12 **Assessment Guidelines (as in effect on January 1, 2005), except that**
13 **the department shall adjust the methodology as follows:**

14 **(1) Use a six (6) year rolling average adjusted under**
15 **subdivision (3) instead of a four (4) year rolling average.**

16 **(2) Use the data from the six (6) most recent years preceding**
17 **the year in which the assessment date occurs for which data**
18 **is available, before one (1) of those six (6) years is eliminated**
19 **under subdivision (3) when determining the rolling average.**

20 **(3) Eliminate in the calculation of the rolling average the year**
21 **among the six (6) years for which the highest market value in**
22 **use of agricultural land is determined.**

23 **(4) After determining a preliminary base rate that would**
24 **apply for the assessment date without applying the**
25 **adjustment under this subdivision, the department of local**
26 **government finance shall adjust the preliminary base rate as**
27 **follows:**

28 **(A) If the preliminary base rate for the assessment date**
29 **would be at least ten percent (10%) greater than the final**
30 **base rate determined for the preceding assessment date, a**
31 **capitalization rate of eight percent (8%) shall be used to**
32 **determine the final base rate.**

33 **(B) If the preliminary base rate for the assessment date**
34 **would be at least ten percent (10%) less than the final base**
35 **rate determined for the preceding assessment date, a**
36 **capitalization rate of six percent (6%) shall be used to**
37 **determine the final base rate.**

38 **(C) If neither clause (A) nor clause (B) applies, a**
39 **capitalization rate of seven percent (7%) shall be used to**
40 **determine the final base rate.**

41 **(D) In the case of a market value in use for a year that is**
42 **used in the calculation of the six (6) year rolling average**



1 **under subdivision (1) for purposes of determining the base**
 2 **rate for the assessment date:**

3 **(i) that market value in use shall be recalculated by using**
 4 **the capitalization rate determined under clauses (A)**
 5 **through (C) for the calculation of the base rate for the**
 6 **assessment date; and**

7 **(ii) the market value in use recalculated under item (i)**
 8 **shall be used in the calculation of the six (6) year rolling**
 9 **average under subdivision (1).**

10 **(e) For assessment dates after December 31, 2009, an**
 11 **adjustment in the assessed value of real property under this section**
 12 **shall be based on the estimated true tax value of the property on**
 13 **the assessment date that is the basis for taxes payable on that real**
 14 **property.**

15 **(f) The department shall release the department's annual**
 16 **determination of the base rate on or before March 1 of each year.**

17 SECTION 6. IC 6-1.1-4-16, AS AMENDED BY THE TECHNICAL
 18 CORRECTIONS BILL OF THE 2018 GENERAL ASSEMBLY, IS
 19 AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,
 20 2019]: Sec. 16. (a) For purposes of making a reassessment of real
 21 property under section 4 or 4.2 of this chapter, or annual adjustments
 22 under section 4.5 **13.2** of this chapter **for agricultural land**, a township
 23 assessor (if any) and a county assessor may employ:

24 (1) deputies;

25 (2) employees; and

26 (3) technical advisors who are:

27 (A) qualified to determine real property values;

28 (B) professional appraisers certified under 50 IAC 15; and

29 (C) employed either on a full-time or a part-time basis, subject
 30 to sections 18.5 and 19.5 of this chapter.

31 (b) The county council of each county shall appropriate the funds
 32 necessary for the employment of deputies, employees, or technical
 33 advisors employed under subsection (a). ~~of this section.~~

34 SECTION 7. IC 6-1.1-4-22, AS AMENDED BY P.L.232-2017,
 35 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JANUARY 1, 2019]: Sec. 22. (a) If any assessing official assesses or
 37 reassesses any real property under this article, (including an annual
 38 adjustment **for agricultural land** under section 4.5 **13.2** of this
 39 chapter), the official shall give notice to the taxpayer and the county
 40 assessor, by mail or by using electronic mail that includes a secure
 41 Internet link to the information in the notice, of the amount of the
 42 assessment or reassessment.



1 (b) Each township or county assessor shall provide the notice
2 required by this section by the earlier of:

3 (1) ninety (90) days after the assessor:

4 (A) completes the appraisal of a parcel; or

5 (B) receives a report for a parcel from a professional appraiser
6 or professional appraisal firm; or

7 (2) April 10 of the year containing the assessment date for which
8 the assessment or reassessment first applies, if the assessment
9 date occurs in a year that ends before January 1, 2016, and
10 February 10 of the year containing the assessment date for which
11 the assessment or reassessment first applies, if the assessment
12 date occurs in a year that begins after December 31, 2015.

13 (c) The notice required by this section is in addition to any required
14 notice of assessment or reassessment included in a property tax
15 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

16 (d) The notice required by this section must include notice to the
17 person of the opportunity to appeal the assessed valuation under
18 IC 6-1.1-15-1.1.

19 (e) Notice of the opportunity to appeal the assessed valuation
20 required under subsection (d) must include the following:

21 (1) The procedure that a taxpayer must follow to appeal the
22 assessment or reassessment.

23 (2) The forms that must be filed for an appeal of the assessment
24 or reassessment.

25 (3) Notice that an appeal of the assessment or reassessment
26 requires evidence relevant to the true tax value of the taxpayer's
27 property as of the assessment date.

28 SECTION 8. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,
29 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2019]: Sec. 27.5. (a) The auditor of each county shall
31 establish a property reassessment fund. The county treasurer shall
32 deposit all collections resulting from the property taxes that the county
33 levies for the county's property reassessment fund.

34 (b) With respect to a reassessment of real property under a county's
35 reassessment plan under section 4.2 of this chapter, the county council
36 of each county shall, for property taxes due each year, levy against all
37 the taxable property in the county an amount equal to the estimated
38 costs of the reassessment under section 28.5 of this chapter for the
39 group of parcels to be reassessed in that year.

40 (c) The county assessor may petition the county fiscal body to
41 increase the levy under subsection (b) to pay for the costs of:

42 (1) a reassessment of one (1) or more groups of parcels under a



- 1 county's reassessment plan prepared under section 4.2 of this
 2 chapter;
 3 (2) verification under 50 IAC 27-4-7 of sales disclosure forms
 4 forwarded to the county assessor under IC 6-1.1-5.5-3; or
 5 (3) processing annual adjustments **for agricultural land** under
 6 section ~~4.5~~ **13.2** of this chapter.

7 The assessor must document the needs and reasons for the increased
 8 funding.

9 **(d) This subsection applies to an assessment date beginning after**
 10 **December 31, 2018. If a county fiscal body increased the levy under**
 11 **subsection (b) to pay for the costs of processing annual adjustments**
 12 **under section 4.5 of this chapter (before its repeal on January 1,**
 13 **2019), the county fiscal body shall reduce the levy under subsection**
 14 **(b) by an amount equal to:**

- 15 (1) the amount of the prior increase imposed to pay for the
 16 costs of processing annual adjustments before January 1,
 17 2019; minus
 18 (2) the relative amount of the prior increase in subdivision (1)
 19 that is attributable to the costs of processing annual
 20 adjustments for agricultural land under section 31.5 of this
 21 chapter.

22 ~~(d)~~ **(e)** If the county fiscal body denies a petition under subsection
 23 (c), the county assessor may appeal to the department of local
 24 government finance. The department of local government finance shall:

- 25 (1) hear the appeal; and
 26 (2) determine whether the additional levy is necessary.

27 SECTION 9. IC 6-1.1-4-28.5, AS AMENDED BY THE
 28 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 29 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JANUARY 1, 2019]: Sec. 28.5. (a) Money assigned to a property
 31 reassessment fund under section 27.5 of this chapter may be used only
 32 to pay the costs of:

- 33 (1) the ~~general~~ reassessment of real property under section 4 of
 34 ~~this chapter~~ or reassessment of one (1) or more groups of parcels
 35 under a county's reassessment plan prepared under section 4.2 of
 36 this chapter, including the computerization of assessment records;
 37 (2) payments to assessing officials and hearing officers for county
 38 property tax assessment boards of appeals under IC 6-1.1-35.2;
 39 (3) the development or updating of detailed soil survey data by
 40 the United States Department of Agriculture or its successor
 41 agency;
 42 (4) the updating of plat books;



1 (5) payments for the salary of permanent staff or for the
 2 contractual services of temporary staff who are necessary to assist
 3 assessing officials;

4 (6) making annual adjustments **for agricultural land** under
 5 section ~~4.5~~ **13.2** of this chapter; and

6 (7) the verification under 50 IAC 27-4-7 of sales disclosure forms
 7 forwarded to:

8 (A) the county assessor; or

9 (B) township assessors (if any);

10 under IC 6-1.1-5.5-3.

11 Money in a property ~~tax~~ reassessment fund may not be transferred or
 12 reassigned to any other fund and may not be used for any purposes
 13 other than those set forth in this section.

14 (b) All counties shall use modern, detailed soil maps in the
 15 reassessment of agricultural land.

16 (c) The county treasurer of each county shall, in accordance with
 17 IC 5-13-9, invest any money accumulated in the property reassessment
 18 fund. Any interest received from investment of the money shall be paid
 19 into the property reassessment fund.

20 (d) An appropriation under this section must be approved by the
 21 fiscal body of the county after the review and recommendation of the
 22 county assessor. However, in a county with a township assessor in
 23 every township, the county assessor does not review an appropriation
 24 under this section, and only the fiscal body must approve an
 25 appropriation under this section.

26 SECTION 10. IC 6-1.1-4-42, AS ADDED BY P.L.182-2009(ss),
 27 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JANUARY 1, 2019]: Sec. 42. (a) This section applies to assessment
 29 dates after January 15, 2010.

30 (b) As used in this section, "golf course" means an area of land and
 31 yard improvements that are predominately used to play the game of
 32 golf. A golf course consists of a series of holes, each consisting of a
 33 teeing area, fairway, rough and other hazards, and the green with the
 34 pin and cup.

35 (c) The true tax value of real property regularly used as a golf course
 36 is the valuation determined by applying the income capitalization
 37 appraisal approach. The income capitalization approach used to
 38 determine the true tax value of a golf course must:

39 (1) incorporate an applicable income capitalization method and
 40 appropriate capitalization rates that are developed and used in
 41 computations that lead to an indication of value commensurate
 42 with the risks for the subject property use;



1 (2) provide for the uniform and equal assessment of golf courses
2 of similar grade quality and play length; and

3 (3) exclude the value of personal property, intangible property,
4 and income derived from personal or intangible property.

5 (d) For assessment dates after January 15, 2010, and before March
6 1, 2012, a township assessor (if any) or the county assessor shall gather
7 and process information from the owner of a golf course to carry out
8 this section in accordance with the rules adopted by the department of
9 local government finance under IC 4-22-2.

10 (e) For assessment dates after February 28, 2012, the department of
11 local government finance shall, by rules adopted under IC 4-22-2,
12 establish uniform income capitalization tables and procedures to be
13 used for the assessment of golf courses. The department of local
14 government finance may rely on analysis conducted by a state
15 educational institution to develop the income capitalization tables and
16 procedures required under this section. Assessing officials shall use the
17 tables and procedures adopted by the department of local government
18 finance to assess **and** reassess **and annually adjust** the assessed value
19 of golf courses.

20 (f) The department of local government finance may prescribe
21 procedures, forms, and due dates for the collection from the owners or
22 operators of golf courses of the necessary earnings, income, profits,
23 losses, and expenditures data necessary to carry out this section. An
24 owner or operator of a golf course shall comply with the procedures
25 and reporting schedules prescribed by the department of local
26 government finance.

27 SECTION 11. IC 6-1.1-12.4-2, AS AMENDED BY THE
28 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
29 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JANUARY 1, 2019]: Sec. 2. (a) For purposes of this section, an
31 increase in the assessed value of real property is determined in the
32 same manner that an increase in the assessed value of real property is
33 determined for purposes of IC 6-1.1-12.1.

34 (b) This subsection applies only to a development, redevelopment,
35 or rehabilitation that is first assessed after March 1, 2005, and before
36 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
37 and 8 of this chapter, an owner of real property that:

38 (1) develops, redevelops, or rehabilitates the real property; and
39 (2) creates or retains employment from the development,
40 redevelopment, or rehabilitation;

41 is entitled to a deduction from the assessed value of the real property.

42 (c) Subject to section 14 of this chapter, the deduction under this



1 section is first available in the year in which the increase in assessed
2 value resulting from the development, redevelopment, or rehabilitation
3 occurs and continues for the following two (2) years. The amount of the
4 deduction that a property owner may receive with respect to real
5 property located in a county for a particular year equals the lesser of:

6 (1) two million dollars (\$2,000,000); or

7 (2) the product of:

8 (A) the increase in assessed value resulting from the
9 development, rehabilitation, or redevelopment; multiplied by

10 (B) the percentage from the following table:

11 YEAR OF DEDUCTION	PERCENTAGE
12 1st	75%
13 2nd	50%
14 3rd	25%

15 (d) A property owner that qualifies for the deduction under this
16 section must file a notice to claim the deduction. The township
17 assessor, or the county assessor if there is no township assessor for the
18 township, shall:

19 (1) inform the county auditor of the real property eligible for the
20 deduction as contained in the notice filed by the taxpayer under
21 this subsection; and

22 (2) inform the county auditor of the deduction amount.

23 (e) The county auditor shall:

24 (1) make the deductions; and

25 (2) notify the county property tax assessment board of appeals of
26 all deductions approved;

27 under this section.

28 (f) The amount of the deduction determined under subsection (c)(2)
29 is adjusted to reflect the percentage increase or decrease in assessed
30 valuation that results from

31 ~~(1) a general reassessment of real property under IC 6-1.1-4-4;~~

32 ~~(2) (1) a reassessment under a county's reassessment plan
33 prepared under IC 6-1.1-4-4.2. or~~

34 ~~(3) (2) an annual adjustment under IC 6-1.1-4-4.5.~~

35 (g) If an appeal of an assessment is approved that results in a
36 reduction of the assessed value of the real property, the amount of the
37 deduction under this section is adjusted to reflect the percentage
38 decrease that results from the appeal.

39 (h) The deduction under this section does not apply to a facility
40 listed in IC 6-1.1-12.1-3(e).

41 SECTION 12. IC 6-1.1-18-12, AS AMENDED BY THE
42 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL



1 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2019]: Sec. 12. (a) For purposes of this section,
3 "maximum rate" refers to the maximum:

- 4 (1) property tax rate or rates; or
5 (2) special benefits tax rate or rates;

6 referred to in the statutes listed in subsection (d).

7 (b) The maximum rate for taxes first due and payable after 2003 is
8 the maximum rate that would have been determined under subsection
9 (e) for taxes first due and payable in 2003 if subsection (e) had applied
10 for taxes first due and payable in 2003.

11 (c) The maximum rate must be adjusted each year to account for the
12 change in assessed value of real property that results from:

- 13 (1) an annual adjustment of the assessed value of ~~real property~~
14 **agricultural land** under ~~IC 6-1.1-4-4.5~~; **IC 6-1.1-4-13.2**; or
15 (2) a ~~general reassessment of real property under IC 6-1.1-4-4~~; or
16 (3) **(2)** a reassessment under a county's reassessment plan
17 prepared under IC 6-1.1-4-4.2.

18 (d) The statutes to which subsection (a) refers are:

- 19 (1) IC 8-10-5-17;
20 (2) IC 8-22-3-11;
21 (3) IC 8-22-3-25;
22 (4) IC 12-29-1-1;
23 (5) IC 12-29-1-2;
24 (6) IC 12-29-1-3;
25 (7) IC 12-29-3-6;
26 (8) IC 13-21-3-12;
27 (9) IC 13-21-3-15;
28 (10) IC 14-27-6-30;
29 (11) IC 14-33-7-3;
30 (12) IC 14-33-21-5;
31 (13) IC 15-14-7-4;
32 (14) IC 15-14-9-1;
33 (15) IC 15-14-9-2;
34 (16) IC 16-20-2-18;
35 (17) IC 16-20-4-27;
36 (18) IC 16-20-7-2;
37 (19) IC 16-22-14;
38 (20) IC 16-23-1-29;
39 (21) IC 16-23-3-6;
40 (22) IC 16-23-4-2;
41 (23) IC 16-23-5-6;
42 (24) IC 16-23-7-2;



- 1 (25) IC 16-23-8-2;
 2 (26) IC 16-23-9-2;
 3 (27) IC 16-41-15-5;
 4 (28) IC 16-41-33-4;
 5 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 6 (30) IC 20-46-6-5 (before its repeal on January 1, 2019);
 7 (31) IC 20-49-2-10;
 8 (32) IC 36-1-19-1;
 9 (33) IC 23-14-66-2;
 10 (34) IC 23-14-67-3;
 11 (35) IC 36-7-13-4;
 12 (36) IC 36-7-14-28;
 13 (37) IC 36-7-15.1-16;
 14 (38) IC 36-8-19-8.5;
 15 (39) IC 36-9-6.1-2;
 16 (40) IC 36-9-17.5-4;
 17 (41) IC 36-9-27-73;
 18 (42) IC 36-9-29-31;
 19 (43) IC 36-9-29.1-15;
 20 (44) IC 36-10-6-2;
 21 (45) IC 36-10-7-7;
 22 (46) IC 36-10-7-8;
 23 (47) IC 36-10-7.5-19;
 24 (48) IC 36-10-13-5 (before the power to impose a levy was
 25 removed on January 1, 2019);
 26 (49) IC 36-10-13-7 (before the power to impose a levy was
 27 removed on January 1, 2019);
 28 (50) IC 36-10-14-4 (before its repeal on January 1, 2019);
 29 (51) IC 36-12-7-7;
 30 (52) IC 36-12-7-8;
 31 (53) IC 36-12-12-10;
 32 (54) a statute listed in IC 6-1.1-18.5-9.8; and
 33 (55) any statute enacted after December 31, 2003, that:
 34 (A) establishes a maximum rate for any part of the:
 35 (i) property taxes; or
 36 (ii) special benefits taxes;
 37 imposed by a political subdivision; and
 38 (B) does not exempt the maximum rate from the adjustment
 39 under this section.
 40 (e) For property tax rates imposed for property taxes first due and
 41 payable after December 31, 2013, the new maximum rate under a
 42 statute listed in subsection (d) is the tax rate determined under STEP



- 1 EIGHT of the following STEPS:
- 2 STEP ONE: Determine the maximum rate for the political
- 3 subdivision levying a property tax or special benefits tax under
- 4 the statute for the previous calendar year.
- 5 STEP TWO: Determine the actual percentage change (rounded to
- 6 the nearest one-hundredth percent (0.01%)) in the assessed value
- 7 of the taxable property from the previous calendar year to the year
- 8 in which the affected property taxes will be imposed.
- 9 STEP THREE: Determine the three (3) calendar years that
- 10 immediately precede the year in which the affected property taxes
- 11 will be imposed.
- 12 STEP FOUR: Compute separately, for each of the calendar years
- 13 determined in STEP THREE, the actual percentage change
- 14 (rounded to the nearest one-hundredth percent (0.01%)) in the
- 15 assessed value (before the adjustment, if any, under
- 16 IC 6-1.1-4-4.5) **(before its repeal on January 1, 2019), or**
- 17 **before the adjustment, if any, for agricultural land under**
- 18 **IC 6-1.1-4-13.2 beginning after December 31, 2018)** of the
- 19 taxable property from the preceding year.
- 20 STEP FIVE: Divide the sum of the three (3) quotients computed
- 21 in STEP FOUR by three (3).
- 22 STEP SIX: Determine the greater of the following:
- 23 (A) Zero (0).
- 24 (B) The STEP FIVE result.
- 25 STEP SEVEN: Determine the greater of the following:
- 26 (A) Zero (0).
- 27 (B) The result of the STEP TWO percentage minus the STEP
- 28 SIX percentage, if any.
- 29 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
- 30 divided by the sum of one (1) plus the STEP SEVEN percentage,
- 31 if any.
- 32 (f) The department of local government finance shall compute the
- 33 maximum rate allowed under subsection (e) and provide the rate to
- 34 each political subdivision with authority to levy a tax under a statute
- 35 listed in subsection (d).
- 36 SECTION 13. IC 6-1.1-37-9, AS AMENDED BY P.L.232-2017,
- 37 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 38 JANUARY 1, 2019]: Sec. 9. (a) This section applies when:
- 39 (1) an assessment is made or increased after the date or dates on
- 40 which the taxes for the year for which the assessment is made
- 41 were originally due;
- 42 (2) the assessment upon which a taxpayer has been paying taxes



1 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a
 2 petition for review or a judicial proceeding has been pending is
 3 less than the assessment that results from the final determination
 4 of the petition for review or judicial proceeding; or

5 (3) the collection of certain ad valorem property taxes has been
 6 enjoined under IC 33-26-6-2, and under the final determination of
 7 the petition for judicial review the taxpayer is liable for at least
 8 part of those taxes.

9 (b) Except as provided in subsections (c) and (g), a taxpayer shall
 10 pay interest on the taxes the taxpayer is required to pay as a result of an
 11 action or a determination described in subsection (a) at the rate
 12 established by the commissioner of the department of state revenue
 13 under IC 6-8.1-10-1 from the original due date or dates for those taxes
 14 to:

15 (1) the date of payment; or

16 (2) the date on which penalties for the late payment of a tax
 17 installment may be charged under subsection (e) or (f);

18 whichever occurs first. The interest shall be computed using the rate in
 19 effect for each particular year in which the interest accrued.

20 (c) Except as provided in subsection (g), a taxpayer shall pay
 21 interest on the taxes the taxpayer is ultimately required to pay in excess
 22 of the amount that the taxpayer is required to pay under
 23 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial
 24 proceeding has been pending at the overpayment rate established under
 25 Section 6621(c)(1) of the Internal Revenue Code in effect on the
 26 original due date or dates for those taxes from the original due date or
 27 dates for those taxes to:

28 (1) the date of payment; or

29 (2) the date on which penalties for the late payment of a tax
 30 installment may be charged under subsection (e) or (f);

31 whichever occurs first.

32 (d) With respect to an action or determination described in
 33 subsection (a), the taxpayer shall pay the taxes resulting from that
 34 action or determination and the interest prescribed under subsection (b)
 35 or (c) on or before:

36 (1) the next May 10; or

37 (2) the next November 10;

38 whichever occurs first.

39 (e) A taxpayer shall begin paying the penalty prescribed in section
 40 10 of this chapter on the day after the date for payment prescribed in
 41 subsection (d) if:

42 (1) the taxpayer has not paid the amount of taxes resulting from



1 the action or determination; and

2 (2) the taxpayer either:

3 (A) received notice of the taxes the taxpayer is required to pay
4 as a result of the action or determination at least thirty (30)
5 days before the date for payment; or

6 (B) voluntarily signed and filed an assessment return for the
7 taxes.

8 (f) If subsection (e) does not apply, a taxpayer who has not paid the
9 amount of taxes resulting from the action or determination shall begin
10 paying the penalty prescribed in section 10 of this chapter on:

11 (1) the next May 10 which follows the date for payment
12 prescribed in subsection (d); or

13 (2) the next November 10 which follows the date for payment
14 prescribed in subsection (d);

15 whichever occurs first.

16 (g) A taxpayer is not subject to the payment of interest on real
17 property assessments under subsection (b) or (c) if:

18 (1) an assessment is made or increased after the date or dates on
19 which the taxes for the year for which the assessment is made
20 were due;

21 (2) the assessment or the assessment increase is made as the result
22 of error or neglect by the assessor or by any other official
23 involved with the assessment of property or the collection of
24 property taxes; and

25 (3) the assessment:

26 (A) would have been made on the normal assessment date if
27 the error or neglect had not occurred; or

28 (B) increase would have been included in the assessment on
29 the normal ~~annual~~ assessment date if the error or neglect had
30 not occurred.

31 SECTION 14. IC 6-1.1-39-5, AS AMENDED BY THE
32 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
33 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JANUARY 1, 2019]: Sec. 5. (a) A declaratory ordinance adopted under
35 section 2 of this chapter and confirmed under section 3 of this chapter
36 must include a provision with respect to the allocation and distribution
37 of property taxes for the purposes and in the manner provided in this
38 section. The allocation provision must apply to the entire economic
39 development district. The allocation provisions must require that any
40 property taxes subsequently levied by or for the benefit of any public
41 body entitled to a distribution of property taxes on taxable property in
42 the economic development district be allocated and distributed as



- 1 follows:
- 2 (1) Except as otherwise provided in this section, the proceeds of
- 3 the taxes attributable to the lesser of:
- 4 (A) the assessed value of the property for the assessment date
- 5 with respect to which the allocation and distribution is made;
- 6 or
- 7 (B) the base assessed value;
- 8 shall be allocated to and, when collected, paid into the funds of
- 9 the respective taxing units. However, if the effective date of the
- 10 allocation provision of a declaratory ordinance is after March 1,
- 11 1985, and before January 1, 1986, and if an improvement to
- 12 property was partially completed on March 1, 1985, the unit may
- 13 provide in the declaratory ordinance that the taxes attributable to
- 14 the assessed value of the property as finally determined for March
- 15 1, 1984, shall be allocated to and, when collected, paid into the
- 16 funds of the respective taxing units.
- 17 (2) Except as otherwise provided in this section, part or all of the
- 18 property tax proceeds in excess of those described in subdivision
- 19 (1), as specified in the declaratory ordinance, shall be allocated to
- 20 the unit for the economic development district and, when
- 21 collected, paid into a special fund established by the unit for that
- 22 economic development district that may be used only to pay the
- 23 principal of and interest on obligations owed by the unit under
- 24 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
- 25 industrial development programs in, or serving, that economic
- 26 development district. The amount not paid into the special fund
- 27 shall be paid to the respective units in the manner prescribed by
- 28 subdivision (1).
- 29 (3) When the money in the fund is sufficient to pay all
- 30 outstanding principal of and interest (to the earliest date on which
- 31 the obligations can be redeemed) on obligations owed by the unit
- 32 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing
- 33 of industrial development programs in, or serving, that economic
- 34 development district, money in the special fund in excess of that
- 35 amount shall be paid to the respective taxing units in the manner
- 36 prescribed by subdivision (1).
- 37 (b) Property tax proceeds allocable to the economic development
- 38 district under subsection (a)(2) must, subject to subsection (a)(3), be
- 39 irrevocably pledged by the unit for payment as set forth in subsection
- 40 (a)(2).
- 41 (c) For the purpose of allocating taxes levied by or for any taxing
- 42 unit or units, the assessed value of taxable property in a territory in the



1 economic development district that is annexed by any taxing unit after
 2 the effective date of the allocation provision of the declaratory
 3 ordinance is the lesser of:

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

7 (d) Notwithstanding any other law, each assessor shall, upon
 8 petition of the fiscal body, reassess the taxable property situated upon
 9 or in, or added to, the economic development district effective on the
 10 next assessment date after the petition.

11 (e) Notwithstanding any other law, the assessed value of all taxable
 12 property in the economic development district, for purposes of tax
 13 limitation, property tax replacement, and formulation of the budget, tax
 14 rate, and tax levy for each political subdivision in which the property
 15 is located, is the lesser of:

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

19 (f) The state board of accounts and department of local government
 20 finance shall make the rules and prescribe the forms and procedures
 21 that they consider expedient for the implementation of this chapter.
 22 After each

- 23 ~~(1) general reassessment under IC 6-1.1-4-4; or~~
 24 (2) reassessment of a group of parcels under a reassessment plan
 25 prepared under IC 6-1.1-4-4.2,

26 the department of local government finance shall adjust the base
 27 assessed value one (1) time to neutralize any effect of the reassessment
 28 on the property tax proceeds allocated to the district under this section.
 29 After each annual adjustment **for agricultural land** under
 30 ~~IC 6-1.1-4-4.5; IC 6-1.1-4-13.2~~, the department of local government
 31 finance shall adjust the base assessed value to neutralize any effect of
 32 the annual adjustment on the property tax proceeds allocated to the
 33 district under this section. However, the adjustments under this
 34 subsection may not include the effect of property tax abatements under
 35 IC 6-1.1-12.1.

36 (g) As used in this section, "property taxes" means:

- 37 (1) taxes imposed under this article on real property; and
 38 (2) any part of the taxes imposed under this article on depreciable
 39 personal property that the unit has by ordinance allocated to the
 40 economic development district. However, the ordinance may not
 41 limit the allocation to taxes on depreciable personal property with
 42 any particular useful life or lives.



1 If a unit had, by ordinance adopted before May 8, 1987, allocated to an
 2 economic development district property taxes imposed under IC 6-1.1
 3 on depreciable personal property that has a useful life in excess of eight
 4 (8) years, the ordinance continues in effect until an ordinance is
 5 adopted by the unit under subdivision (2).

6 (h) As used in this section, "base assessed value" means:

7 (1) the net assessed value of all the property as finally determined
 8 for the assessment date immediately preceding the effective date
 9 of the allocation provision of the declaratory resolution, as
 10 adjusted under subsection (f); plus

11 (2) to the extent that it is not included in subdivision (1), the net
 12 assessed value of property that is assessed as residential property
 13 under the rules of the department of local government finance, as
 14 finally determined for any assessment date after the effective date
 15 of the allocation provision.

16 Subdivision (2) applies only to economic development districts
 17 established after June 30, 1997, and to additional areas established
 18 after June 30, 1997.

19 SECTION 15. IC 8-22-3.5-11, AS AMENDED BY THE
 20 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 21 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JANUARY 1, 2019]: Sec. 11. (a) The state board of accounts and the
 23 department of local government finance shall make the rules and
 24 prescribe the forms and procedures that the state board of accounts and
 25 department consider appropriate for the implementation of this chapter.

26 (b) After each ~~general~~ reassessment under IC 6-1.1-4, the
 27 department of local government finance shall adjust the base assessed
 28 value (as defined in section 9 of this chapter) one (1) time to neutralize
 29 any effect of the ~~general~~ reassessment on the property tax proceeds
 30 allocated to the airport development zone's special funds under section
 31 9 of this chapter.

32 (c) After each annual adjustment **for agricultural land** under
 33 ~~IC 6-1.1-4-4.5, IC 6-1.1-4-13.2~~, the department of local government
 34 finance shall adjust the base assessed value (as defined in section 9 of
 35 this chapter) to neutralize any effect of the annual adjustment on the
 36 property tax proceeds allocated to the airport development zone's
 37 special funds under section 9 of this chapter.

38 SECTION 16. IC 36-7-14-39, AS AMENDED BY THE
 39 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 40 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JANUARY 1, 2019]: Sec. 39. (a) As used in this section:

42 "Allocation area" means that part of a redevelopment project area



1 to which an allocation provision of a declaratory resolution adopted
 2 under section 15 of this chapter refers for purposes of distribution and
 3 allocation of property taxes.

4 "Base assessed value" means the following:

5 (1) If an allocation provision is adopted after June 30, 1995, in a
 6 declaratory resolution or an amendment to a declaratory
 7 resolution establishing an economic development 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 (2) If an allocation provision is adopted after June 30, 1997, in a
 18 declaratory resolution or an amendment to a declaratory
 19 resolution establishing a redevelopment project area:

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

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

29 (3) If:

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

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

36 the net assessed value of all the property as finally determined for
 37 the assessment date immediately preceding the effective date of
 38 the allocation provision adopted after June 30, 1997, as adjusted
 39 under subsection (h).

40 (4) Except as provided in subdivision (5), for all other allocation
 41 areas, the net assessed value of all the property as finally
 42 determined for the assessment date immediately preceding the



1 effective date of the allocation provision of the declaratory
2 resolution, as adjusted under subsection (h).

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

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

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

24 (b) A declaratory resolution adopted under section 15 of this chapter
25 on or before the allocation deadline determined under subsection (i)
26 may include a provision with respect to the allocation and distribution
27 of property taxes for the purposes and in the manner provided in this
28 section. A declaratory resolution previously adopted may include an
29 allocation provision by the amendment of that declaratory resolution on
30 or before the allocation deadline determined under subsection (i) in
31 accordance with the procedures required for its original adoption. A
32 declaratory resolution or amendment that establishes an allocation
33 provision must include a specific finding of fact, supported by
34 evidence, that the adoption of the allocation provision will result in
35 new property taxes in the area that would not have been generated but
36 for the adoption of the allocation provision. For an allocation area
37 established before July 1, 1995, the expiration date of any allocation
38 provisions for the allocation area is June 30, 2025, or the last date of
39 any obligations that are outstanding on July 1, 2015, whichever is later.
40 A 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) Expend money and provide financial assistance as
 10 authorized in section 12.2(a)(27) of this chapter.
 11 The allocation fund may not be used for operating expenses of the
 12 commission.
 13 (4) Except as provided in subsection (g), before June 15 of each
 14 year, the commission shall do the following:
 15 (A) Determine the amount, if any, by which the assessed value
 16 of the taxable property in the allocation area for the most
 17 recent assessment date minus the base assessed value, when
 18 multiplied by the estimated tax rate of the allocation area, will
 19 exceed the amount of assessed value needed to produce the
 20 property taxes necessary to make, when due, principal and
 21 interest payments on bonds described in subdivision (3), plus
 22 the amount necessary for other purposes described in
 23 subdivision (3).
 24 (B) Provide a written notice to the county auditor, the fiscal
 25 body of the county or municipality that established the
 26 department of redevelopment, the officers who are authorized
 27 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 28 each of the other taxing units that is wholly or partly located
 29 within the allocation area, and (in an electronic format) the
 30 department of local government finance. The notice must:
 31 (i) state the amount, if any, of excess assessed value that the
 32 commission has determined may be allocated to the
 33 respective taxing units in the manner prescribed in
 34 subdivision (1); or
 35 (ii) state that the commission has determined that there is no
 36 excess assessed value that may be allocated to the respective
 37 taxing units in the manner prescribed in subdivision (1).
 38 The county auditor shall allocate to the respective taxing units
 39 the amount, if any, of excess assessed value determined by the
 40 commission. The commission may not authorize an allocation
 41 of assessed value to the respective taxing units under this
 42 subdivision if to do so would endanger the interests of the



- 1 holders of bonds described in subdivision (3) or lessors under
 2 section 25.3 of this chapter.
- 3 (C) If:
- 4 (i) the amount of excess assessed value determined by the
 5 commission is expected to generate more than two hundred
 6 percent (200%) of the amount of allocated tax proceeds
 7 necessary to make, when due, principal and interest
 8 payments on bonds described in subdivision (3); plus
 9 (ii) the amount necessary for other purposes described in
 10 subdivision (3);
- 11 the commission shall submit to the legislative body of the unit
 12 its determination of the excess assessed value that the
 13 commission proposes to allocate to the respective taxing units
 14 in the manner prescribed in subdivision (1). The legislative
 15 body of the unit may approve the commission's determination
 16 or modify the amount of the excess assessed value that will be
 17 allocated to the respective taxing units in the manner
 18 prescribed in subdivision (1).
- 19 (c) For the purpose of allocating taxes levied by or for any taxing
 20 unit or units, the assessed value of taxable property in a territory in the
 21 allocation area that is annexed by any taxing unit after the effective
 22 date of the allocation provision of the declaratory resolution is the
 23 lesser of:
- 24 (1) the assessed value of the property for the assessment date with
 25 respect to which the allocation and distribution is made; or
 26 (2) the base assessed value.
- 27 (d) Property tax proceeds allocable to the redevelopment district
 28 under subsection (b)(3) may, subject to subsection (b)(4), be
 29 irrevocably pledged by the redevelopment district for payment as set
 30 forth in subsection (b)(3).
- 31 (e) Notwithstanding any other law, each assessor shall, upon
 32 petition of the redevelopment commission, reassess the taxable
 33 property situated upon or in, or added to, the allocation area, effective
 34 on the next assessment date after the petition.
- 35 (f) Notwithstanding any other law, the assessed value of all taxable
 36 property in the allocation area, for purposes of tax limitation, property
 37 tax replacement, and formulation of the budget, tax rate, and tax levy
 38 for each political subdivision in which the property is located is the
 39 lesser of:
- 40 (1) the assessed value of the property as valued without regard to
 41 this section; or
 42 (2) the base assessed value.



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

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



1 **agricultural land** under ~~IC 6-1.1-4-4.5~~; **IC 6-1.1-4-13.2**, the
 2 department of local government finance shall adjust the base assessed
 3 value one (1) time to neutralize any effect of the annual adjustment on
 4 the property tax proceeds allocated to the redevelopment district under
 5 this section. However, the adjustments under this subsection:

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

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

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

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

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

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

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

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

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

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

37 SECTION 17. IC 36-7-15.1-26, AS AMENDED BY THE
 38 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 39 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2019]: Sec. 26. (a) As used in this section:

41 "Allocation area" means that part of a redevelopment project area
 42 to which an allocation provision of a resolution adopted under section



1 8 of this chapter refers for purposes of distribution and allocation of
 2 property taxes.

3 "Base assessed value" means the following:

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

7 (A) 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); plus

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

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

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

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

28 (3) If:

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

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

35 the net assessed value of all the property as finally determined for
 36 the assessment date immediately preceding the effective date of
 37 the allocation provision adopted after June 30, 1997, as adjusted
 38 under subsection (h).

39 (4) Except as provided in subdivision (5), for all other allocation
 40 areas, the net assessed value of all the property as finally
 41 determined for the assessment date immediately preceding the
 42 effective date of the allocation provision of the declaratory



1 resolution, as adjusted under subsection (h).

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

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

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

23 (b) A resolution adopted under section 8 of this chapter on or before
24 the allocation deadline determined under subsection (i) may include a
25 provision with respect to the allocation and distribution of property
26 taxes for the purposes and in the manner provided in this section. A
27 resolution previously adopted may include an allocation provision by
28 the amendment of that resolution on or before the allocation deadline
29 determined under subsection (i) in accordance with the procedures
30 required for its original adoption. A declaratory resolution or
31 amendment that establishes an allocation provision must include a
32 specific finding of fact, supported by evidence, that the adoption of the
33 allocation provision will result in new property taxes in the area that
34 would not have been generated but for the adoption of the allocation
35 provision. For an allocation area established before July 1, 1995, the
36 expiration date of any allocation provisions for the allocation area is
37 June 30, 2025, or the last date of any obligations that are outstanding
38 on July 1, 2015, whichever is later. However, for an allocation area
39 identified as the Consolidated Allocation Area in the report submitted
40 in 2013 to the fiscal body under section 36.3 of this chapter, the
41 expiration date of any allocation provisions for the allocation area is
42 January 1, 2051. A declaratory resolution or an amendment that



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

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

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

26 (B) the base assessed value;

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

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

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



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



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

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

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

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

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

19 (K) Expend money and provide financial assistance as
 20 authorized in section 7(a)(21) of this chapter.

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

23 (4) Before June 15 of each year, the commission shall do the
 24 following:

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

34 (B) Provide a written notice to the county auditor, the
 35 legislative body of the consolidated city, the officers who are
 36 authorized to fix budgets, tax rates, and tax levies under
 37 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 38 or partly located within the allocation area, and (in an
 39 electronic format) the department of local government finance.

40 The notice must:

41 (i) state the amount, if any, of excess assessed value that the
 42 commission has determined may be allocated to the



- 1 respective taxing units in the manner prescribed in
 2 subdivision (1); or
 3 (ii) state that the commission has determined that there is no
 4 excess assessed value that may be allocated to the respective
 5 taxing units in the manner prescribed in subdivision (1).
 6 The county auditor shall allocate to the respective taxing units
 7 the amount, if any, of excess assessed value determined by the
 8 commission. The commission may not authorize an allocation
 9 to the respective taxing units under this subdivision if to do so
 10 would endanger the interests of the holders of bonds described
 11 in subdivision (3).
 12 (C) If:
 13 (i) the amount of excess assessed value determined by the
 14 commission is expected to generate more than two hundred
 15 percent (200%) of the amount of allocated tax proceeds
 16 necessary to make, when due, principal and interest
 17 payments on bonds described in subdivision (3); plus
 18 (ii) the amount necessary for other purposes described in
 19 subdivision (3) and subsection (g);
 20 the commission shall submit to the legislative body of the unit
 21 the commission's determination of the excess assessed value
 22 that the commission proposes to allocate to the respective
 23 taxing units in the manner prescribed in subdivision (1). The
 24 legislative body of the unit may approve the commission's
 25 determination or modify the amount of the excess assessed
 26 value that will be allocated to the respective taxing units in the
 27 manner prescribed in subdivision (1).
 28 (c) For the purpose of allocating taxes levied by or for any taxing
 29 unit or units, the assessed value of taxable property in a territory in the
 30 allocation area that is annexed by any taxing unit after the effective
 31 date of the allocation provision of the resolution is the lesser of:
 32 (1) the assessed value of the property for the assessment date with
 33 respect to which the allocation and distribution is made; or
 34 (2) the base assessed value.
 35 (d) Property tax proceeds allocable to the redevelopment district
 36 under subsection (b)(3) may, subject to subsection (b)(4), be
 37 irrevocably pledged by the redevelopment district for payment as set
 38 forth in subsection (b)(3).
 39 (e) Notwithstanding any other law, each assessor shall, upon
 40 petition of the commission, reassess the taxable property situated upon
 41 or in, or added to, the allocation area, effective on the next assessment
 42 date after the petition.



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

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

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

- 29 (1) To pay for programs in job training, job enrichment, and basic
 30 skill development designed to benefit residents and employers in
 31 the enterprise zone. The programs must reserve at least one-half
 32 (1/2) of the enrollment in any session for residents of the
 33 enterprise zone.
 34 (2) To make loans and grants for the purpose of stimulating
 35 business activity in the enterprise zone or providing employment
 36 for enterprise zone residents in the enterprise zone. These loans
 37 and grants may be made to the following:
 38 (A) Businesses operating in the enterprise zone.
 39 (B) Businesses that will move their operations to the enterprise
 40 zone if such a loan or grant is made.
 41 (3) To provide funds to carry out other purposes specified in
 42 subsection (b)(3). However, where reference is made in



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

4 (h) The state board of accounts and department of local government
 5 finance shall make the rules and prescribe the forms and procedures
 6 that they consider expedient for the implementation of this chapter.
 7 After ~~each general reassessment of real property in an area under~~
 8 ~~IC 6-1.1-4-4~~ and after each reassessment under a reassessment plan
 9 prepared under IC 6-1.1-4-4.2, the department of local government
 10 finance shall adjust the base assessed value one (1) time to neutralize
 11 any effect of the reassessment of the real property in the area on the
 12 property tax proceeds allocated to the redevelopment district under this
 13 section. After each annual adjustment **for agricultural land** under
 14 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 15 finance shall adjust the base assessed value to neutralize any effect of
 16 the annual adjustment on the property tax proceeds allocated to the
 17 redevelopment district under this section. However, the adjustments
 18 under this subsection may not include the effect of property tax
 19 abatements under IC 6-1.1-12.1, and these adjustments may not
 20 produce less property tax proceeds allocable to the redevelopment
 21 district under subsection (b)(3) than would otherwise have been
 22 received if the ~~general reassessment~~, reassessment under the
 23 reassessment plan or annual adjustment **for agricultural land** had not
 24 occurred. The department of local government finance may prescribe
 25 procedures for county and township officials to follow to assist the
 26 department in making the adjustments.

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

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

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

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

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

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

42 SECTION 18. IC 36-7-15.1-53, AS AMENDED BY THE



1 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 2 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JANUARY 1, 2019]: Sec. 53. (a) As used in this section:

4 "Allocation area" means that part of a redevelopment project area
 5 to which an allocation provision of a resolution adopted under section
 6 40 of this chapter refers for purposes of distribution and allocation of
 7 property taxes.

8 "Base assessed value" means:

9 (1) the net assessed value of all the property as finally determined
 10 for the assessment date immediately preceding the effective date
 11 of the allocation provision of the declaratory resolution, as
 12 adjusted under subsection (h); plus

13 (2) to the extent that it is not included in subdivision (1), the net
 14 assessed value of property that is assessed as residential property
 15 under the rules of the department of local government finance, as
 16 finally determined for any assessment date after the effective date
 17 of the allocation provision.

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

20 (b) A resolution adopted under section 40 of this chapter on or
 21 before the allocation deadline determined under subsection (i) may
 22 include a provision with respect to the allocation and distribution of
 23 property taxes for the purposes and in the manner provided in this
 24 section. A resolution previously adopted may include an allocation
 25 provision by the amendment of that resolution on or before the
 26 allocation deadline determined under subsection (i) in accordance with
 27 the procedures required for its original adoption. A declaratory
 28 resolution or an amendment that establishes an allocation provision
 29 must be approved by resolution of the legislative body of the excluded
 30 city and must specify an expiration date for the allocation provision.
 31 For an allocation area established before July 1, 2008, the expiration
 32 date may not be more than thirty (30) years after the date on which the
 33 allocation provision is established. For an allocation area established
 34 after June 30, 2008, the expiration date may not be more than
 35 twenty-five (25) years after the date on which the first obligation was
 36 incurred to pay principal and interest on bonds or lease rentals on
 37 leases payable from tax increment revenues. However, with respect to
 38 bonds or other obligations that were issued before July 1, 2008, if any
 39 of the bonds or other obligations that were scheduled when issued to
 40 mature before the specified expiration date and that are payable only
 41 from allocated tax proceeds with respect to the allocation area remain
 42 outstanding as of the expiration date, the allocation provision does not



1 expire until all of the bonds or other obligations are no longer
 2 outstanding. The allocation provision may apply to all or part of the
 3 redevelopment project area. The allocation provision must require that
 4 any property taxes subsequently levied by or for the benefit of any
 5 public body entitled to a distribution of property taxes on taxable
 6 property in the allocation area be allocated and distributed as follows:

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

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

11 or

12 (B) the base assessed value;

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

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

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

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

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

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

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



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



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

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

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

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

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

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

26 (2) the base assessed value.

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

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

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

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

42 (2) the base assessed value.



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

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

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

30 (A) Businesses operating in the enterprise zone.

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

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

38 (h) The state board of accounts and department of local government
 39 finance shall make the rules and prescribe the forms and procedures
 40 that they consider expedient for the implementation of this chapter.
 41 After each ~~general~~ reassessment of real property in an area ~~under~~
 42 ~~IC 6-1.1-4-4~~ or reassessment under a county's reassessment plan



1 prepared under IC 6-1.1-4-4.2, the department of local government
 2 finance shall adjust the base assessed value one (1) time to neutralize
 3 any effect of the reassessment of the real property in the area on the
 4 property tax proceeds allocated to the redevelopment district under this
 5 section. After each annual adjustment **for agricultural land** under
 6 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 7 finance shall adjust the base assessed value to neutralize any effect of
 8 the annual adjustment on the property tax proceeds allocated to the
 9 redevelopment district under this section. However, the adjustments
 10 under this subsection may not include the effect of property tax
 11 abatements under IC 6-1.1-12.1, and these adjustments may not
 12 produce less property tax proceeds allocable to the redevelopment
 13 district under subsection (b)(3) than would otherwise have been
 14 received if the ~~general reassessment~~, reassessment under the county's
 15 reassessment plan or annual adjustment **for agricultural land** had not
 16 occurred. The department of local government finance may prescribe
 17 procedures for county and township officials to follow to assist the
 18 department in making the adjustments.

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

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

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

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

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

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

34 SECTION 19. IC 36-7-30-25, AS AMENDED BY THE
 35 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 36 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JANUARY 1, 2019]: Sec. 25. (a) The following definitions apply
 38 throughout this section:

39 (1) "Allocation area" means that part of a military base reuse area
 40 to which an allocation provision of a declaratory resolution
 41 adopted under section 10 of this chapter refers for purposes of
 42 distribution and allocation of property taxes.



- 1 (2) "Base assessed value" means:
 2 (A) the net assessed value of all the property as finally
 3 determined for the assessment date immediately preceding the
 4 adoption 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) or (C), the
 7 net assessed value of any and all parcels or classes of parcels
 8 identified as part of the base assessed value in the declaratory
 9 resolution or an amendment thereto, as finally determined for
 10 any subsequent assessment date; plus
 11 (C) to the extent that it is not included in clause (A) or (B), the
 12 net assessed value of property that is assessed as residential
 13 property under the rules of the department of local government
 14 finance, as finally determined for any assessment date after the
 15 effective date of the allocation provision.
- 16 Clause (C) applies only to allocation areas established in a
 17 military reuse area after June 30, 1997, and to the part of an
 18 allocation area that was established before June 30, 1997, and that
 19 is added to an existing allocation area after June 30, 1997.
- 20 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 21 property.
- 22 (b) A declaratory resolution adopted under section 10 of this chapter
 23 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 24 resolutions adopted under IC 36-7-14-15 may include a provision with
 25 respect to the allocation and distribution of property taxes for the
 26 purposes and in the manner provided in this section. A declaratory
 27 resolution previously adopted may include an allocation provision by
 28 the amendment of that declaratory resolution in accordance with the
 29 procedures set forth in section 13 of this chapter. The allocation
 30 provision may apply to all or part of the military base reuse area. The
 31 allocation provision must require that any property taxes subsequently
 32 levied by or for the benefit of any public body entitled to a distribution
 33 of property taxes on taxable property in the allocation area be allocated
 34 and distributed as follows:
- 35 (1) Except as otherwise provided in this section, the proceeds of
 36 the taxes attributable to the lesser of:
 37 (A) the assessed value of the property for the assessment date
 38 with respect to which the allocation and distribution is made;
 39 or
 40 (B) the base assessed value;
 41 shall be allocated to and, when collected, paid into the funds of
 42 the respective taxing units.



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

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

15 (A) Pay the principal of and interest and redemption premium
 16 on any obligations incurred by the military base reuse district
 17 or any other entity for the purpose of financing or refinancing
 18 military base reuse activities in or directly serving or
 19 benefiting that allocation area.

20 (B) Establish, augment, or restore the debt service reserve for
 21 bonds payable solely or in part from allocated tax proceeds in
 22 that allocation area or from other revenues of the reuse
 23 authority, including lease rental revenues.

24 (C) Make payments on leases payable solely or in part from
 25 allocated tax proceeds in that allocation area.

26 (D) Reimburse any other governmental body for expenditures
 27 made for local public improvements (or structures) in or
 28 directly serving or benefiting that allocation area.

29 (E) Pay expenses incurred by the reuse authority, any other
 30 department of the unit, or a department of another
 31 governmental entity for local public improvements or
 32 structures that are in the allocation area or directly serving or
 33 benefiting the allocation area, including expenses for the
 34 operation and maintenance of these local public improvements
 35 or structures if the reuse authority determines those operation
 36 and maintenance expenses are necessary or desirable to carry
 37 out the purposes of this chapter.

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

41 (i) in the allocation area; and

42 (ii) on a parcel of real property that has been classified as



- 1 industrial property under the rules of the department of local
 2 government finance.
- 3 However, the total amount of money spent for this purpose in
 4 any year may not exceed the total amount of money in the
 5 allocation fund that is attributable to property taxes paid by the
 6 industrial facilities described in this clause. The
 7 reimbursements under this clause must be made not more than
 8 three (3) years after the date on which the investments that are
 9 the basis for the increment financing are made.
- 10 (G) Expend money and provide financial assistance as
 11 authorized in section 9(a)(25) of this chapter.
- 12 Except as provided in clause (E), the allocation fund may not be
 13 used for operating expenses of the reuse authority.
- 14 (4) Except as provided in subsection (g), before July 15 of each
 15 year the reuse authority shall do the following:
- 16 (A) Determine the amount, if any, by which property taxes
 17 payable to the allocation fund in the following year will exceed
 18 the amount of property taxes necessary to make, when due,
 19 principal and interest payments on bonds described in
 20 subdivision (3) plus the amount necessary for other purposes
 21 described in subdivision (3).
- 22 (B) Provide a written notice to the county auditor, the fiscal
 23 body of the unit that established the reuse authority, and the
 24 officers who are authorized to fix budgets, tax rates, and tax
 25 levies under IC 6-1.1-17-5 for each of the other taxing units
 26 that is wholly or partly located within the allocation area. The
 27 notice must:
- 28 (i) state the amount, if any, of excess property taxes that the
 29 reuse authority has determined may be paid to the respective
 30 taxing units in the manner prescribed in subdivision (1); or
 31 (ii) state that the reuse authority has determined that there
 32 are no excess property tax proceeds that may be allocated to
 33 the respective taxing units in the manner prescribed in
 34 subdivision (1).
- 35 The county auditor shall allocate to the respective taxing units
 36 the amount, if any, of excess property tax proceeds determined
 37 by the reuse authority. The reuse authority may not authorize
 38 a payment to the respective taxing units under this subdivision
 39 if to do so would endanger the interest of the holders of bonds
 40 described in subdivision (3) or lessors under section 19 of this
 41 chapter.
- 42 (c) For the purpose of allocating taxes levied by or for any taxing



1 unit or units, the assessed value of taxable property in a territory in the
2 allocation area that is annexed by a taxing unit after the effective date
3 of the allocation provision of the declaratory resolution is the lesser of:

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

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

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

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

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

23 (g) If any part of the allocation area is located in an enterprise zone
24 created under IC 5-28-15, the unit that designated the allocation area
25 shall create funds as specified in this subsection. A unit that has
26 obligations, bonds, or leases payable from allocated tax proceeds under
27 subsection (b)(3) shall establish an allocation fund for the purposes
28 specified in subsection (b)(3) and a special zone fund. Such a unit
29 shall, until the end of the enterprise zone phase out period, deposit each
30 year in the special zone fund any amount in the allocation fund derived
31 from property tax proceeds in excess of those described in subsection
32 (b)(1) and (b)(2) from property located in the enterprise zone that
33 exceeds the amount sufficient for the purposes specified in subsection
34 (b)(3) for the year. The amount sufficient for purposes specified in
35 subsection (b)(3) for the year shall be determined based on the pro rata
36 part of such current property tax proceeds from the part of the
37 enterprise zone that is within the allocation area as compared to all
38 such current property tax proceeds derived from the allocation area. A
39 unit that does not have obligations, bonds, or leases payable from
40 allocated tax proceeds under subsection (b)(3) shall establish a special
41 zone fund and deposit all the property tax proceeds in excess of those
42 described in subsection (b)(1) and (b)(2) that are derived from property



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

12 (h) After each ~~general~~ reassessment of real property in an area ~~under~~
 13 ~~IC 6-1.1-4-4~~ or reassessment under the county's reassessment plan
 14 under IC 6-1.1-4-4.2, the department of local government finance shall
 15 adjust the base assessed value one (1) time to neutralize any effect of
 16 the reassessment of the real property in the area on the property tax
 17 proceeds allocated to the military base reuse district under this section.
 18 After each annual adjustment **for agricultural land** under
 19 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government
 20 finance shall adjust the base assessed value to neutralize any effect of
 21 the annual adjustment on the property tax proceeds allocated to the
 22 military base reuse district under this section. However, the
 23 adjustments under this subsection may not include the effect of
 24 property tax abatements under IC 6-1.1-12.1, and these adjustments
 25 may not produce less property tax proceeds allocable to the military
 26 base reuse district under subsection (b)(3) than would otherwise have
 27 been received if the ~~general reassessment~~, reassessment under the
 28 county's reassessment plan or annual adjustment **for agricultural land**
 29 had not occurred. The department of local government finance may
 30 prescribe procedures for county and township officials to follow to
 31 assist the department in making the adjustments.

32 SECTION 20. IC 36-7-30.5-30, AS AMENDED BY THE
 33 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 34 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2019]: Sec. 30. (a) The following definitions apply
 36 throughout this section:

37 (1) "Allocation area" means that part of a military base
 38 development area to which an allocation provision of a
 39 declaratory resolution adopted under section 16 of this chapter
 40 refers for purposes of distribution and allocation of property taxes.

41 (2) "Base assessed value" means:

42 (A) the net assessed value of all the property as finally



1 determined for the assessment date immediately preceding the
 2 adoption date of the allocation provision of the declaratory
 3 resolution, as adjusted under subsection (h); plus
 4 (B) to the extent that it is not included in clause (A) or (C), the
 5 net assessed value of any and all parcels or classes of parcels
 6 identified as part of the base assessed value in the declaratory
 7 resolution or an amendment to the declaratory resolution, as
 8 finally determined for any subsequent assessment date; plus
 9 (C) to the extent that it is not included in clause (A) or (B), the
 10 net assessed value of property that is assessed as residential
 11 property under the rules of the department of local government
 12 finance, as finally determined for any assessment date after the
 13 effective date of the allocation provision.

14 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 15 property.

16 (b) A declaratory resolution adopted under section 16 of this chapter
 17 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 18 resolutions adopted under IC 36-7-14-15 may include a provision with
 19 respect to the allocation and distribution of property taxes for the
 20 purposes and in the manner provided in this section. A declaratory
 21 resolution previously adopted may include an allocation provision by
 22 the amendment of that declaratory resolution in accordance with the
 23 procedures set forth in section 18 of this chapter. The allocation
 24 provision may apply to all or part of the military base development
 25 area. The allocation provision must require that any property taxes
 26 subsequently levied by or for the benefit of any public body entitled to
 27 a distribution of property taxes on taxable property in the allocation
 28 area be allocated and distributed as follows:

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

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

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

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



1 into the funds of the taxing unit for which the referendum or local
 2 public question was conducted.
 3 (3) Except as otherwise provided in this section, property tax
 4 proceeds in excess of those described in subdivisions (1) and (2)
 5 shall be allocated to the development authority and, when
 6 collected, paid into an allocation fund for that allocation area that
 7 may be used by the development authority and only to do one (1)
 8 or more of the following:
 9 (A) Pay the principal of and interest and redemption premium
 10 on any obligations incurred by the development authority or
 11 any other entity for the purpose of financing or refinancing
 12 military base development or reuse activities in or directly
 13 serving or benefiting that allocation area.
 14 (B) Establish, augment, or restore the debt service reserve for
 15 bonds payable solely or in part from allocated tax proceeds in
 16 that allocation area or from other revenues of the development
 17 authority, including lease rental revenues.
 18 (C) Make payments on leases payable solely or in part from
 19 allocated tax proceeds in that allocation area.
 20 (D) Reimburse any other governmental body for expenditures
 21 made for local public improvements (or structures) in or
 22 directly serving or benefiting that allocation area.
 23 (E) For property taxes first due and payable before 2009, pay
 24 all or a part of a property tax replacement credit to taxpayers
 25 in an allocation area as determined by the development
 26 authority. This credit equals the amount determined under the
 27 following STEPS for each taxpayer in a taxing district (as
 28 defined in IC 6-1.1-1-20) that contains all or part of the
 29 allocation area:
 30 STEP ONE: Determine that part of the sum of the amounts
 31 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 32 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 33 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
 34 the taxing district.
 35 STEP TWO: Divide:
 36 (i) that part of each county's eligible property tax
 37 replacement amount (as defined in IC 6-1.1-21-2 (before its
 38 repeal)) for that year as determined under IC 6-1.1-21-4
 39 (before its repeal) that is attributable to the taxing district;
 40 by
 41 (ii) the STEP ONE sum.
 42 STEP THREE: Multiply:



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

6 If not all the taxpayers in an allocation area receive the credit
 7 in full, each taxpayer in the allocation area is entitled to
 8 receive the same proportion of the credit. A taxpayer may not
 9 receive a credit under this section and a credit under section
 10 32 of this chapter (before its repeal) in the same year.

11 (F) Pay expenses incurred by the development authority for
 12 local public improvements or structures that were in the
 13 allocation area or directly serving or benefiting the allocation
 14 area.

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

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

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

29 (H) Expend money and provide financial assistance as
 30 authorized in section 15(26) of this chapter.

31 The allocation fund may not be used for operating expenses of the
 32 development authority.

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

35 (A) Determine the amount, if any, by which property taxes
 36 payable to the allocation fund in the following year will exceed
 37 the amount of property taxes necessary to make, when due,
 38 principal and interest payments on bonds described in
 39 subdivision (3) plus the amount necessary for other purposes
 40 described in subdivisions (2) and (3).

41 (B) Provide a written notice to the appropriate county auditors
 42 and the fiscal bodies and other officers who are authorized to



1 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
 2 each of the other taxing units that is wholly or partly located
 3 within the allocation area. The notice must:

4 (i) state the amount, if any, of the excess property taxes that
 5 the development authority has determined may be paid to
 6 the respective taxing units in the manner prescribed in
 7 subdivision (1); or

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

12 The county auditors shall allocate to the respective taxing units
 13 the amount, if any, of excess assessed value determined by the
 14 development authority. The development authority may not
 15 authorize a payment to the respective taxing units under this
 16 subdivision if to do so would endanger the interest of the
 17 holders of bonds described in subdivision (3) or lessors under
 18 section 24 of this chapter. Property taxes received by a taxing
 19 unit under this subdivision before 2009 are eligible for the
 20 property tax replacement credit provided under IC 6-1.1-21
 21 (before its repeal).

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

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

29 (d) Property tax proceeds allocable to the military base development
 30 district under subsection (b)(3) may, subject to subsection (b)(4), be
 31 irrevocably pledged by the military base development district for
 32 payment as set forth in subsection (b)(3).

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

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

- 42 (1) the assessed value of the property as valued without regard to



1 this section; or

2 (2) the base assessed value.

3 (g) If any part of the allocation area is located in an enterprise zone
 4 created under IC 5-28-15, the development authority shall create funds
 5 as specified in this subsection. A development authority that has
 6 obligations, bonds, or leases payable from allocated tax proceeds under
 7 subsection (b)(3) shall establish an allocation fund for the purposes
 8 specified in subsection (b)(3) and a special zone fund. The
 9 development authority shall, until the end of the enterprise zone phase
 10 out period, deposit each year in the special zone fund any amount in the
 11 allocation fund derived from property tax proceeds in excess of those
 12 described in subsection (b)(1) and (b)(2) from property located in the
 13 enterprise zone that exceeds the amount sufficient for the purposes
 14 specified in subsection (b)(3) for the year. The amount sufficient for
 15 purposes specified in subsection (b)(3) for the year shall be determined
 16 based on the pro rata part of such current property tax proceeds from
 17 the part of the enterprise zone that is within the allocation area as
 18 compared to all such current property tax proceeds derived from the
 19 allocation area. A development authority that does not have
 20 obligations, bonds, or leases payable from allocated tax proceeds under
 21 subsection (b)(3) shall establish a special zone fund and deposit all the
 22 property tax proceeds in excess of those described in subsection (b)(1)
 23 and (b)(2) that are derived from property in the enterprise zone in the
 24 fund. The development authority that creates the special zone fund
 25 shall use the fund (based on the recommendations of the urban
 26 enterprise association) for programs in job training, job enrichment,
 27 and basic skill development that are designed to benefit residents and
 28 employers in the enterprise zone or for other purposes specified in
 29 subsection (b)(3), except that where reference is made in subsection
 30 (b)(3) to an allocation area it shall refer for purposes of payments from
 31 the special zone fund only to that part of the allocation area that is also
 32 located in the enterprise zone. The programs shall reserve at least
 33 one-half (1/2) of their enrollment in any session for residents of the
 34 enterprise zone.

35 (h) After each ~~general~~ reassessment of real property in an area ~~under~~
 36 ~~IC 6-1.1-4-4~~ or reassessment under a reassessment plan prepared under
 37 IC 6-1.1-4-4.2, the department of local government finance shall adjust
 38 the base assessed value one (1) time to neutralize any effect of the
 39 reassessment of the real property in the area on the property tax
 40 proceeds allocated to the military base development district under this
 41 section. After each annual adjustment **for agricultural land** under
 42 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government



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

13 SECTION 21. IC 36-7-32-19, AS AMENDED BY THE
 14 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 15 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2019]: Sec. 19. (a) The state board of accounts and
 17 department of local government finance shall make the rules and
 18 prescribe the forms and procedures that the state board of accounts and
 19 department of local government finance consider appropriate for the
 20 implementation of an allocation area under this chapter.

21 (b) After each ~~general~~ reassessment of real property in an area ~~under~~
 22 ~~IC 6-1.1-4-4 or reassessment~~ under a reassessment plan prepared under
 23 IC 6-1.1-4-4.2, the department of local government finance shall adjust
 24 the base assessed value one (1) time to neutralize any effect of the
 25 reassessment of the real property in the area on the property tax
 26 proceeds allocated to the certified technology park fund under section
 27 17 of this chapter. After each annual adjustment **for agricultural land**
 28 under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local
 29 government finance shall adjust the base assessed value to neutralize
 30 any effect of the annual adjustment on the property tax proceeds
 31 allocated to the certified technology park fund under section 17 of this
 32 chapter.

