

SENATE BILL No. 276

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-1.5-6.5-1; IC 5-28-15-14; IC 6-1.1; IC 36-1; IC 36-7.

Synopsis: Tax increment financing districts. Provides that if a redevelopment commission outside Marion County wishes to establish a tax increment financing (TIF) area after December 31, 2018, a unit (county, city, town, or township) or school corporation that is located wholly or partly within a proposed TIF area may elect whether to participate in the TIF area. Provides that after December 31, 2018, each taxing unit that is located wholly or partly in a TIF area is bound by the terms of the TIF area until the TIF area expires, except for those units and school corporations that do not elect to participate in the TIF area.

Effective: January 1, 2019.

Bassler

January 4, 2018, read first time and referred to Committee on Tax and Fiscal Policy.



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. 276

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

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

- 1 SECTION 1. IC 5-1.5-6.5-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. (a) The bank
3 shall establish and maintain:
4 (1) a capital principal fund, to be funded from appropriations
5 made to the fund by the general assembly and any other money
6 that the bank transfers to the fund; and
7 (2) a capital interest fund, to be funded from investment earnings
8 on the capital principal fund.
9 (b) The bank may use the funds only for programs for qualified
10 entities issuing securities for any of the following purposes:
11 (1) Sewage works.
12 (2) Waterworks.
13 (3) Parking facilities.
14 (4) Redevelopment projects financed with allocated property tax
15 proceeds under IC 36-7-14-39, **IC 36-7-14-39.8**, or
16 IC 36-7-15.1-26.
17 SECTION 2. IC 5-28-15-14, AS ADDED BY P.L.4-2005,



SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 14. (a) A U.E.A. shall do the following:

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

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

- (1) Initiate and coordinate any community development activities that aid in the employment of zone residents, improve the physical environment, or encourage the turnover or retention of capital in the zone. These additional activities include but are not limited to recommending to the municipality the manner and purpose of expenditure of funds generated under ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(h), IC 36-7-14-39.8(h), or IC 36-7-15.1-26(g).**

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

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

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

(d) The U.E.A. may request, by majority vote, that the board waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject the request. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or an individual,



1 to the extent that the modification does not adversely affect health
 2 (including environment health), safety, employment rights, or civil
 3 rights. An approval or a modification of a state rule by the board takes
 4 effect upon the approval of the governor. In no case are the provisions
 5 of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

6 SECTION 3. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2019]: Sec. 2. (a) A designating body may find that a
 9 particular area within its jurisdiction is an economic revitalization area.
 10 However, the deduction provided by this chapter for economic
 11 revitalization areas not within a city or town shall not be available to
 12 retail businesses.

13 (b) In a county containing a consolidated city or within a city or
 14 town, a designating body may find that a particular area within its
 15 jurisdiction is a residentially distressed area. Designation of an area as
 16 a residentially distressed area has the same effect as designating an
 17 area as an economic revitalization area, except that the amount of the
 18 deduction shall be calculated as specified in section 4.1 of this chapter
 19 and the deduction is allowed for not more than the number of years
 20 specified by the designating body under section 17 of this chapter. In
 21 order to declare a particular area a residentially distressed area, the
 22 designating body must follow the same procedure that is required to
 23 designate an area as an economic revitalization area and must make all
 24 the following additional findings or all the additional findings
 25 described in subsection (c):

26 (1) The area is comprised of parcels that are either unimproved or
 27 contain only one (1) or two (2) family dwellings or multifamily
 28 dwellings designed for up to four (4) families, including accessory
 29 buildings for those dwellings.

30 (2) Any dwellings in the area are not permanently occupied and
 31 are:

32 (A) the subject of an order issued under IC 36-7-9; or

33 (B) evidencing significant building deficiencies.

34 (3) Parcels of property in the area:

35 (A) have been sold and not redeemed under IC 6-1.1-24 and
 36 IC 6-1.1-25; or

37 (B) are owned by a unit of local government.

38 However, in a city in a county having a population of more than two
 39 hundred fifty thousand (250,000) but less than two hundred seventy
 40 thousand (270,000), the designating body is only required to make one
 41 (1) of the additional findings described in this subsection or one (1) of
 42 the additional findings described in subsection (c).



(c) In a county containing a consolidated city or within a city or town, a designating body that wishes to designate a particular area a residentially distressed area may make the following additional findings as an alternative to the additional findings described in subsection (b):

(1) A significant number of dwelling units within the area are not permanently occupied or a significant number of parcels in the area are vacant land.

(2) A significant number of dwelling units within the area are:

(A) the subject of an order issued under IC 36-7-9; or

(B) evidencing significant building deficiencies.

(3) The area has experienced a net loss in the number of dwelling units, as documented by census information, local building and demolition permits, or certificates of occupancy, or the area is owned by Indiana or the United States.

(4) The area (plus any areas previously designated under this subsection) will not exceed ten percent (10%) of the total area within the designating body's jurisdiction.

However, in a city in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000), the designating body is only required to make one (1) of the additional findings described in this subsection as an alternative to one (1) of the additional findings described in subsection (b).

(d) A designating body is required to attach the following conditions to the grant of a residentially distressed area designation:

(1) The deduction will not be allowed unless the dwelling is rehabilitated to meet local code standards for habitability.

(2) If a designation application is filed, the designating body may require that the redevelopment or rehabilitation be completed within a reasonable period of time.

(e) To make a designation described in subsection (a) or (b), the designating body shall use procedures prescribed in section 2.5 of this chapter.

(f) The property tax deductions provided by section 3, 4.5, or 4.8 of this chapter are only available within an area which the designating body finds to be an economic revitalization area.

(g) The designating body may adopt a resolution establishing general standards to be used, along with the requirements set forth in the definition of economic revitalization area, by the designating body in finding an area to be an economic revitalization area. The standards must have a reasonable relationship to the development objectives of



the area in which the designating body has jurisdiction. The following four (4) sets of standards may be established:

(1) One (1) relative to the deduction under section 3 of this chapter for economic revitalization areas that are not residentially distressed areas.

(2) One (1) relative to the deduction under section 3 of this chapter for residentially distressed areas.

(3) One (1) relative to the deduction allowed under section 4.5 of this chapter.

(4) One (1) relative to the deduction allowed under section 4.8 of this chapter.

(h) A designating body may impose a fee for filing a designation application for a person requesting the designation of a particular area as an economic revitalization area. The fee may be sufficient to defray actual processing and administrative costs. However, the fee charged for filing a designation application for a parcel that contains one (1) or more owner-occupied, single-family dwellings may not exceed the cost of publishing the required notice.

(i) In declaring an area an economic revitalization area, the designating body may:

(1) limit the time period to a certain number of calendar years during which the economic revitalization area shall be so designated;

(2) limit the type of deductions that will be allowed within the economic revitalization area to the deduction allowed under section 3 of this chapter, the deduction allowed under section 4.5 of this chapter, the deduction allowed under section 4.8 of this chapter, or any combination of these deductions;

(3) limit the dollar amount of the deduction that will be allowed with respect to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, and new information technology equipment;

(4) limit the dollar amount of the deduction that will be allowed with respect to redevelopment and rehabilitation occurring in areas that are designated as economic revitalization areas;

(5) limit the dollar amount of the deduction that will be allowed under section 4.8 of this chapter with respect to the occupation of an eligible vacant building; or

(6) impose reasonable conditions related to the purpose of this chapter or to the general standards adopted under subsection (g) for allowing the deduction for the redevelopment or rehabilitation of the property or the installation of the new manufacturing



equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

To exercise one (1) or more of these powers, a designating body must include this fact in the resolution passed under section 2.5 of this chapter.

(j) Notwithstanding any other provision of this chapter, if a designating body limits the time period during which an area is an economic revitalization area, that limitation does not:

(1) prevent a taxpayer from obtaining a deduction for new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment installed on or before the approval deadline determined under section 9 of this chapter, but after the expiration of the economic revitalization area if the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment was described in a statement of benefits submitted to and approved by the designating body in accordance with section 4.5 of this chapter before the expiration of the economic revitalization area designation; or

(2) limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under section 17 of this chapter.

(k) In addition to the other requirements of this chapter, if property located in an economic revitalization area is also located in an allocation area (as defined in IC 36-7-14-39, **IC 36-7-14-39.8**, or IC 36-7-15.1-26), a taxpayer's statement of benefits concerning that property may not be approved under this chapter unless a resolution approving the statement of benefits is adopted by the legislative body of the unit that approved the designation of the allocation area.

SECTION 4. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1.6. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals, but does not include taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, **IC 36-7-14-39.8**, IC 36-7-15.1-26, or IC 36-7-15.1-53.

SECTION 5. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 4. As used in this chapter, "base assessed value" means the base assessed value as that term is defined or used in:



- 1 (1) IC 6-1.1-39-5(h);
- 2 (2) IC 8-22-3.5-9(a);
- 3 (3) IC 8-22-3.5-9.5;
- 4 (4) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
- 5 (5) IC 36-7-14-39.2;
- 6 (6) IC 36-7-14-39.3(c);
- 7 **(7) IC 36-7-14-39.8(b)**;
- 8 ~~(7)~~ **(8)** IC 36-7-14-48;
- 9 ~~(8)~~ **(9)** IC 36-7-14.5-12.5;
- 10 ~~(9)~~ **(10)** IC 36-7-15.1-26(a);
- 11 ~~(10)~~ **(11)** IC 36-7-15.1-26.2(c);
- 12 ~~(11)~~ **(12)** IC 36-7-15.1-35(a);
- 13 ~~(12)~~ **(13)** IC 36-7-15.1-35.5;
- 14 ~~(13)~~ **(14)** IC 36-7-15.1-53;
- 15 ~~(14)~~ **(15)** IC 36-7-15.1-55(c);
- 16 ~~(15)~~ **(16)** IC 36-7-30-25(a)(2);
- 17 ~~(16)~~ **(17)** IC 36-7-30-26(c);
- 18 ~~(17)~~ **(18)** IC 36-7-30.5-30; or
- 19 ~~(18)~~ **(19)** IC 36-7-30.5-31.

20 SECTION 6. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,
 21 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JANUARY 1, 2019]: Sec. 7. As used in this chapter,
 23 "property taxes" means:

- 24 (1) property taxes, as defined in:
 - 25 (A) IC 6-1.1-39-5(g);
 - 26 (B) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
 - 27 (C) IC 36-7-14-39.2;
 - 28 (D) IC 36-7-14-39.3(c);
 - 29 **(E) IC 36-7-14-39.8(b)**;
 - 30 ~~(E)~~ **(F)** IC 36-7-14.5-12.5;
 - 31 ~~(F)~~ **(G)** IC 36-7-15.1-26(a);
 - 32 ~~(G)~~ **(H)** IC 36-7-15.1-26.2(c);
 - 33 ~~(H)~~ **(I)** IC 36-7-15.1-53(a);
 - 34 ~~(I)~~ **(J)** IC 36-7-15.1-55(c);
 - 35 ~~(J)~~ **(K)** IC 36-7-30-25(a)(3);
 - 36 ~~(K)~~ **(L)** IC 36-7-30-26(c);
 - 37 ~~(L)~~ **(M)** IC 36-7-30.5-30; or
 - 38 ~~(M)~~ **(N)** IC 36-7-30.5-31; or
- 39 (2) for allocation areas created under IC 8-22-3.5, the taxes
 40 assessed on taxable tangible property in the allocation area.

41 SECTION 7. IC 6-1.1-21.2-8, AS AMENDED BY P.L.203-2011,
 42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2019]: Sec. 8. As used in this chapter, "special fund" means:

- (1) the special funds referred to in IC 6-1.1-39-5;
- (2) the special funds referred to in IC 8-22-3.5-9(e);
- (3) the allocation fund referred to in ~~IC 36-7-14-39(b)(3);~~
IC 36-7-14-39(c)(3);
- (4) the allocation fund referred to in IC 36-7-14-39.8(c)(3);**
- ~~(4) (5)~~ the allocation fund referred to in IC 36-7-14.5-12.5(d);
- ~~(5) (6)~~ the special fund referred to in IC 36-7-15.1-26(b)(3);
- ~~(6) (7)~~ the special fund referred to in IC 36-7-15.1-53(b)(3);
- ~~(7) (8)~~ the allocation fund referred to in IC 36-7-30-25(b)(3); or
- ~~(8) (9)~~ the allocation fund referred to in IC 36-7-30.5-30(b)(3).

SECTION 8. IC 36-1-7-15, AS AMENDED BY P.L.221-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 15. (a) As used in this section, "economic development entity" means any of the following:

- (1) A department of redevelopment organized under IC 36-7-14.
- (2) A department of metropolitan development under IC 36-7-15.1.
- (3) A port authority organized under IC 8-10-5.
- (4) An airport authority organized under IC 8-22-3.
- (5) The Indiana finance authority.

(b) Notwithstanding section 2 of this chapter, two (2) or more economic development entities may enter into a written agreement under section 3 of this chapter if the agreement is approved by each entity's governing body.

(c) A party to an agreement under this section may do one (1) or more of the following:

- (1) Except as provided in subsection (d), grant one (1) or more of its powers to another party to the agreement.
- (2) Exercise any power granted to it by a party to the agreement.
- (3) Pledge any of its revenues, including taxes or allocated taxes under IC 36-7-14, IC 36-7-15.1, or IC 8-22-3.5, to the bonds or lease rental obligations of another party to the agreement under IC 5-1-14-4.

(d) An economic development entity may not grant to another entity the power to tax or to establish an allocation area under IC 8-22-3.5, IC 36-7-14-39, **IC 36-7-14-39.8**, or IC 36-7-15.1.

(e) An agreement under this section does not have to comply with section 3(a)(5) or 4 of this chapter.

(f) An action to challenge the validity of an agreement under this section must be brought within thirty (30) days after the agreement has



1 been approved by all the parties to the agreement. After that period has
2 passed, the agreement is not contestable for any cause.

3 SECTION 9. IC 36-1-10-17 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 17. (a) A political
5 subdivision or agency that executes a lease under this chapter shall,
6 subject to subsection (d), make an annual appropriation and tax levy at
7 a rate to provide sufficient money to pay the rental payable from
8 property taxes stipulated in the lease.

9 (b) The appropriation and levy are subject to review by other bodies
10 that have the authority to ascertain that the levy is sufficient to raise the
11 amount required to pay the rental payable from property taxes under
12 the lease.

13 (c) The appropriation and levy may be reduced in any year to the
14 extent other money or any reimbursement under IC 36-7-14-39 **or**
15 **IC 36-7-14-39.8** are pledged or available for the payment of the lease
16 rental.

17 (d) A political subdivision or agency that executes a lease for a
18 transportation project may only levy a tax under this section for an
19 amount necessary to restore debt service reserve funds and may not
20 levy a tax for lease rental payments.

21 SECTION 10. IC 36-7-14-3.5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 3.5. (a) This
23 section applies whenever:

24 (1) a municipality with a redevelopment district is annexing an
25 area in a county; or

26 (2) a municipality establishes a redevelopment district;
27 after the county in which the municipality is located has established a
28 redevelopment district.

29 (b) This subsection applies whenever:

30 (1) the area to be annexed or to be included in the municipality's
31 district includes all or part of an allocation area established by a
32 county redevelopment commission for purposes of section 39 **or**
33 **39.8** of this chapter; and

34 (2) bonds or lease obligations are outstanding that are payable by
35 the county redevelopment commission in whole or in part from
36 property tax proceeds allocated from the allocation area under
37 section 39 **or 39.8** of this chapter.

38 The county redevelopment commission shall continue to receive
39 allocations of property tax proceeds from the area annexed or included
40 in the municipality's district for the commission's allocation fund as if
41 the annexation or establishment of the district had not occurred as long
42 as any bonds or lease obligations payable by the county from allocated



1 property tax proceeds are outstanding. After the final effectiveness of
2 the annexation or the establishment of the municipality's district, the
3 county redevelopment commission may not issue bonds or enter into
4 leases that are payable from allocated property tax proceeds from the
5 part of the allocation area annexed or included unless the legislative
6 body of the municipality adopts an ordinance approving the issuance
7 and this use of allocated property tax proceeds from that part of the
8 allocation area.

9 (c) This subsection applies whenever bonds or lease obligations are
10 outstanding that are payable by the county redevelopment commission
11 in whole or in part from the special tax levied under section 27 of this
12 chapter. The county redevelopment commission shall continue to levy
13 a special tax on property in the area annexed or included in the
14 municipality's district as long as any bonds or lease obligations payable
15 by the county are outstanding. After the final effectiveness of the
16 annexation or the establishment of the municipality's district, the
17 county redevelopment commission may not levy the special tax for new
18 bonds or lease obligations in the annexed or included area unless the
19 legislative body of the municipality adopts an ordinance approving the
20 levy.

21 SECTION 11. IC 36-7-14-13, AS AMENDED BY P.L.255-2017,
22 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2019]: Sec. 13. (a) Not later than April 15 of each year,
24 the redevelopment commissioners or their designees shall file with the
25 unit's executive and fiscal body a report setting out their activities
26 during the preceding calendar year.

27 (b) The report of the commissioners of a municipal redevelopment
28 commission must show the names of the then qualified and acting
29 commissioners, the names of the officers of that body, the number of
30 regular employees and their fixed salaries or compensation, the amount
31 of the expenditures made during the preceding year and their general
32 purpose, an accounting of the tax increment revenues expended by any
33 entity receiving the tax increment revenues as a grant or loan from the
34 commission, the amount of funds on hand at the close of the calendar
35 year, and other information necessary to disclose the activities of the
36 commissioners and the results obtained.

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

41 (d) A copy of each report filed under this section must be submitted
42 to the department of local government finance in an electronic format.



(e) The report required under subsection (a) must also include the following information set forth for each tax increment financing district regarding the previous year:

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

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

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels and the depreciable personal property of any designated taxpayer included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel and the depreciable personal property of any designated taxpayer in the list.

(7) For each tax increment financing district allocation area to which section 39.8 of this chapter applies, a list of the participating taxing units (as defined in section 39.8(b) of this chapter).

~~(7)~~ **(8)** To the extent that the following information has not previously been provided to the department of local government finance:

(A) The year in which the tax increment financing district was established.

(B) The section of the Indiana Code under which the tax increment financing district was established.

(C) Whether the tax increment financing district is part of an area needing redevelopment, an economic development area, a redevelopment project area, or an urban renewal project area.

(D) If applicable, the year in which the boundaries of the tax increment financing district were changed and a description of those changes.

(E) The date on which the tax increment financing district will expire.

(F) A copy of each resolution adopted by the redevelopment commission that establishes or alters the tax increment financing district.

(f) A redevelopment commission and a department of redevelopment are subject to the same laws, rules, and ordinances of a general nature that apply to all other commissions or departments of the unit.

SECTION 12. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012, SECTION 206, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JANUARY 1, 2019]: Sec. 15.5. (a) This section applies to a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000).

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

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

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

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

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

(d) Notwithstanding section 3 of this chapter, the additional areas shall be considered to be a part of the redevelopment special taxing district under the jurisdiction of the redevelopment commission. Any excess property taxes that the commission has determined may be paid to taxing units under section ~~39(b)(4)~~ **39(c)(4) or 39.8(c)(4)** of this chapter shall be paid to the taxing units from which the excess property taxes were derived. All powers of the redevelopment commission authorized under this chapter may be exercised by the redevelopment commission in additional areas under its jurisdiction.

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

(f) The declaratory resolution may include a provision with respect to the allocation and distribution of property taxes with respect to one (1) or more of the additional areas in the manner provided in section 39 **or 39.8** of this chapter. If the redevelopment commission includes such



1 a provision in the resolution, allocation areas in the redevelopment
 2 project area and in the additional areas considered to be part of the
 3 redevelopment project area shall be considered a single allocation area
 4 for purposes of this chapter.

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

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

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

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

15 (h) A declaratory resolution previously adopted may be amended to
 16 include a provision to include additional areas as set forth in this
 17 section and an allocation provision under section 39 **or 39.8** of this
 18 chapter with respect to one (1) or more of the additional areas in
 19 accordance with sections 15, 16, and 17 of this chapter.

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

30 SECTION 13. IC 36-7-14-17, AS AMENDED BY P.L.146-2008,
 31 SECTION 728, IS AMENDED TO READ AS FOLLOWS
 32 [EFFECTIVE JANUARY 1, 2019]: Sec. 17. (a) After receipt of the
 33 written order of approval of the plan commission and approval of the
 34 municipal legislative body or county executive, the redevelopment
 35 commission shall publish notice of the adoption and substance of the
 36 resolution in accordance with IC 5-3-1. The notice must:

37 (1) state that maps and plats have been prepared and can be
 38 inspected at the office of the department; and

39 (2) name a date when the commission will:

40 (A) receive and hear remonstrances and objections from
 41 persons interested in or affected by the proceedings pertaining
 42 to the proposed project or other actions to be taken under the



1 resolution; and

2 (B) determine the public utility and benefit of the proposed
3 project or other actions.

4 All persons affected in any manner by the hearing, including all
5 taxpayers of the special taxing district, shall be considered notified of
6 the pendency of the hearing and of subsequent acts, hearings,
7 adjournments, and orders of the commission by the notice given under
8 this section.

9 (b) A copy of the notice of the hearing on the resolution shall be
10 filed in the office of the unit's plan commission, board of zoning
11 appeals, works board, park board, and building commissioner, and any
12 other departments, bodies, or officers of the unit having to do with unit
13 planning, variances from zoning ordinances, land use, or the issuance
14 of building permits. These agencies and officers shall take notice of the
15 pendency of the hearing and, until the commission confirms, modifies
16 and confirms, or rescinds the resolution, or the confirmation of the
17 resolution is set aside on appeal, may not:

18 (1) authorize any construction on property or sewers in the area
19 described in the resolution, including substantial modifications,
20 rebuilding, conversion, enlargement, additions, and major
21 structural improvements; or

22 (2) take any action regarding the zoning or rezoning of property,
23 or the opening, closing, or improvement of streets, alleys, or
24 boulevards in the area described in the resolution.

25 This subsection does not prohibit the granting of permits for ordinary
26 maintenance or minor remodeling, or for changes necessary for the
27 continued occupancy of buildings in the area.

28 (c) If the resolution to be considered at the hearing includes a
29 provision establishing or amending an allocation provision under
30 section 39 or 39.8 of this chapter, the redevelopment commission shall
31 file the following information with each taxing unit that is wholly or
32 partly located within the allocation area:

33 (1) A copy of the notice required by subsection (a).

34 (2) A statement disclosing the impact of the allocation area,
35 including the following:

36 (A) The estimated economic benefits and costs incurred by the
37 allocation area, as measured by increased employment and
38 anticipated growth of real property assessed values.

39 (B) The anticipated impact on tax revenues of each taxing unit.

40 **If the resolution to be considered at the hearing includes a**
41 **provision establishing or amending an allocation provision to**
42 **which section 39 of this chapter applies, the redevelopment**



1 commission shall file the information required by this subsection with
 2 the officers of the taxing unit who are authorized to fix budgets, tax
 3 rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before
 4 the date of the hearing. **If the resolution to be considered at the**
 5 **hearing includes a provision establishing or amending an allocation**
 6 **provision to which section 39.8 of this chapter applies, the**
 7 **redevelopment commission shall file the information required by**
 8 **this subsection with the officers of the taxing unit who are**
 9 **authorized to fix budgets, tax rates, and tax levies under**
 10 **IC 6-1.1-17-5 at least ninety (90) days before the date of the**
 11 **hearing. If the resolution to be considered at the hearing includes**
 12 **a provision establishing or amending an allocation provision to**
 13 **which section 39.8 of this chapter applies, the redevelopment**
 14 **commission shall prepare the statement required under subdivision**
 15 **(2) assuming that each unit and school corporation wholly or**
 16 **partly located in the proposed allocation area will elect to be**
 17 **subject to the allocation provision as provided in subsection (d).**

18 (d) This subsection applies if the resolution to be considered at
 19 the hearing includes a provision establishing or amending an
 20 allocation provision to which section 39.8 of this chapter applies.
 21 If a unit or school corporation is wholly or partly located in a
 22 proposed allocation area that is referred to in an allocation
 23 provision of the resolution to be considered at the hearing
 24 scheduled under subsection (c), the fiscal body of the unit or school
 25 corporation may adopt a resolution electing to be subject to the
 26 allocation provision. If the fiscal body of the unit or school
 27 corporation adopts a resolution electing to be subject to the
 28 proposed allocation provision, the fiscal body shall deliver a copy
 29 of the resolution to the redevelopment commission before the
 30 hearing date specified in the notice given to the taxing unit under
 31 subsection (c)(1). A unit or school corporation that is wholly or
 32 partly located in a proposed allocation area is not subject to the
 33 proposed allocation provision unless:

34 (1) the fiscal body of the unit or school corporation adopts a
 35 resolution electing to be subject to the proposed allocation
 36 provision in the resolution to be considered at the hearing;
 37 and

38 (2) the allocation provision in the resolution to be considered
 39 at the hearing is adopted by the redevelopment commission as
 40 provided in subsection (e).

41 If the redevelopment commission adopts the resolution containing
 42 the allocation provision as provided in subsection (e) and the



1 **redevelopment commission's action becomes final, the allocation**
 2 **provision as amended from time to time applies until the allocation**
 3 **provision terminates to each taxing unit wholly or partly located**
 4 **in the allocation area, except those units or school corporations**
 5 **that have not elected to be bound by the allocation provision.**

6 ~~(d)~~ (e) At the hearing, which may be adjourned from time to time,
 7 the redevelopment commission shall hear all persons interested in the
 8 proceedings and shall consider all written remonstrances and
 9 objections that have been filed. After considering the evidence
 10 presented, the commission shall take final action determining the
 11 public utility and benefit of the proposed project or other actions to be
 12 taken under the resolution, and confirming, modifying and confirming,
 13 or rescinding the resolution. The final action taken by the commission
 14 shall be recorded and is final and conclusive, except that an appeal may
 15 be taken in the manner prescribed by section 18 of this chapter.

16 SECTION 14. IC 36-7-14-25.1, AS AMENDED BY P.L.149-2014,
 17 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2019]: Sec. 25.1. (a) In addition to other methods of
 19 raising money for property acquisition or redevelopment in a
 20 redevelopment project area, and in anticipation of the special tax to be
 21 levied under section 27 of this chapter, the taxes allocated under
 22 section 39 **or 39.8** of this chapter, or other revenues of the district, or
 23 any combination of these sources, the redevelopment commission may,
 24 by bond resolution and subject to subsections (c) and (p), issue the
 25 bonds of the special taxing district in the name of the unit. The amount
 26 of the bonds may not exceed the total, as estimated by the commission,
 27 of all expenses reasonably incurred in connection with the acquisition
 28 and redevelopment of the property, including:

29 (1) the total cost of all land, rights-of-way, and other property to
 30 be acquired and redeveloped;

31 (2) all reasonable and necessary architectural, engineering, legal,
 32 financing, accounting, advertising, bond discount, and
 33 supervisory expenses related to the acquisition and redevelopment
 34 of the property or the issuance of bonds;

35 (3) capitalized interest permitted by this chapter and a debt
 36 service reserve for the bonds to the extent the redevelopment
 37 commission determines that a reserve is reasonably required; and

38 (4) expenses that the redevelopment commission is required or
 39 permitted to pay under IC 8-23-17.

40 (b) If the redevelopment commission plans to acquire different
 41 parcels of land or let different contracts for redevelopment work at
 42 approximately the same time, whether under one (1) or more



1 resolutions, the commission may provide for the total cost in one (1)
2 issue of bonds.

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

12 (1) the denominations of the bonds;

13 (2) the place or places at which the bonds are payable; and

14 (3) the term of the bonds, which may not exceed:

15 (A) fifty (50) years, for bonds issued before July 1, 2008;

16 (B) thirty (30) years, for bonds issued after June 30, 2008, to
17 finance:

18 (i) an integrated coal gasification powerplant (as defined in
19 IC 6-3.1-29-6);

20 (ii) a part of an integrated coal gasification powerplant (as
21 defined in IC 6-3.1-29-6); or

22 (iii) property used in the operation or maintenance of an
23 integrated coal gasification powerplant (as defined in
24 IC 6-3.1-29-6);

25 that received a certificate of public convenience and necessity
26 from the Indiana utility regulatory commission under
27 IC 8-1-8.5 et seq. before July 1, 2008; or

28 (C) twenty-five (25) years, for bonds issued after June 30,
29 2008, that are not described in clause (B).

30 The bond resolution may also state that the bonds are redeemable
31 before maturity with or without a premium, as determined by the
32 redevelopment commission.

33 (d) The redevelopment commission shall certify a copy of the
34 resolution authorizing the bonds to the municipal or county fiscal
35 officer, who shall then prepare the bonds, subject to subsections (c) and
36 (p). The seal of the unit must be impressed on the bonds, or a facsimile
37 of the seal must be printed on the bonds.

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

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

41 (g) The municipal or county fiscal officer shall give notice of the
42 sale of the bonds by publication in accordance with IC 5-3-1. The



1 municipal fiscal officer, or county fiscal officer or executive, shall sell
 2 the bonds to the highest bidder, but may not sell them for less than
 3 ninety-seven percent (97%) of their par value. However, bonds payable
 4 solely or in part from tax proceeds allocated under section ~~39(b)(3)~~
 5 **39(c)(3) or 39.8(c)(3)** of this chapter, or other revenues of the district
 6 may be sold at a private negotiated sale.

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

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

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

17 (2) from the tax proceeds allocated under section ~~39(b)(3)~~
 18 **39(c)(3) or 39.8(c)(3)** of this chapter;

19 (3) from other revenues available to the redevelopment
 20 commission; or

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

23 If the bonds are payable solely from the tax proceeds allocated under
 24 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter, other revenues
 25 of the redevelopment commission, or any combination of these sources,
 26 they may be issued in any amount not to exceed the maximum amount
 27 approved by the legislative body in the resolution described in
 28 subsection (c).

29 (j) Proceeds from the sale of bonds may be used to pay the cost of
 30 interest on the bonds for a period not to exceed five (5) years from the
 31 date of issuance.

32 (k) All laws relating to the giving of notice of the issuance of bonds,
 33 the giving of notice of a hearing on the appropriation of the proceeds
 34 of the bonds, the right of taxpayers to appear and be heard on the
 35 proposed appropriation, and the approval of the appropriation by the
 36 department of local government finance apply to all bonds issued under
 37 this chapter that are payable from the special benefits tax levied
 38 pursuant to section 27 of this chapter or from taxes allocated under
 39 section 39 **or 39.8** of this chapter.

40 (l) All laws relating to:

41 (1) the filing of petitions requesting the issuance of bonds; and

42 (2) the right of:



- 1 (A) taxpayers and voters to remonstrate against the issuance of
 2 bonds in the case of a proposed bond issue described by
 3 IC 6-1.1-20-3.1(a); or
 4 (B) voters to vote on the issuance of bonds in the case of a
 5 proposed bond issue described by IC 6-1.1-20-3.5(a);
 6 apply to bonds issued under this chapter except for bonds payable
 7 solely from tax proceeds allocated under section ~~39(b)(3)~~ **39(c)(3) or**
 8 **39.8(c)(3)** of this chapter, other revenues of the redevelopment
 9 commission, or any combination of these sources.
- 10 (m) If a debt service reserve is created from the proceeds of bonds,
 11 the debt service reserve may be used to pay principal and interest on
 12 the bonds as provided in the bond resolution.
- 13 (n) Any amount remaining in the debt service reserve after all of the
 14 bonds of the issue for which the debt service reserve was established
 15 have matured shall be:
- 16 (1) deposited in the allocation fund established under section
 17 ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and
 18 (2) to the extent permitted by law, transferred to the county or
 19 municipality that established the department of redevelopment for
 20 use in reducing the county's or municipality's property tax levies
 21 for debt service.
- 22 (o) If bonds are issued under this chapter that are payable solely or
 23 in part from revenues to the redevelopment commission from a project
 24 or projects, the redevelopment commission may adopt a resolution or
 25 trust indenture or enter into covenants as is customary in the issuance
 26 of revenue bonds. The resolution or trust indenture may pledge or
 27 assign the revenues from the project or projects, but may not convey or
 28 mortgage any project or parts of a project. The resolution or trust
 29 indenture may also contain any provisions for protecting and enforcing
 30 the rights and remedies of the bond owners as may be reasonable and
 31 proper and not in violation of law, including covenants setting forth the
 32 duties of the redevelopment commission. The redevelopment
 33 commission may establish fees and charges for the use of any project
 34 and covenant with the owners of any bonds to set those fees and
 35 charges at a rate sufficient to protect the interest of the owners of the
 36 bonds. Any revenue bonds issued by the redevelopment commission
 37 that are payable solely from revenues of the commission shall contain
 38 a statement to that effect in the form of bond.
- 39 (p) If the total principal amount of bonds authorized by a resolution
 40 of the redevelopment commission adopted before July 1, 2008, is equal
 41 to or greater than three million dollars (\$3,000,000), the bonds may not
 42 be issued without the approval, by resolution, of the legislative body of



1 the unit. Bonds authorized in any principal amount by a resolution of
 2 the redevelopment commission adopted after June 30, 2008, may not
 3 be issued without the approval of the legislative body of the unit.

4 SECTION 15. IC 36-7-14-25.2, AS AMENDED BY P.L.149-2014,
 5 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JANUARY 1, 2019]: Sec. 25.2. (a) Subject to the prior approval of the
 7 fiscal body of the unit under subsection (c), a redevelopment
 8 commission may enter into a lease of any property that could be
 9 financed with the proceeds of bonds issued under this chapter with a
 10 lessor for a term not to exceed:

- 11 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
- 12 (2) twenty-five (25) years, for a lease entered into after June 30,
- 13 2008.

14 The lease may provide for payments to be made by the redevelopment
 15 commission from special benefits taxes levied under section 27 of this
 16 chapter, taxes allocated under section 39 **or 39.8** of this chapter, any
 17 other revenues available to the redevelopment commission, or any
 18 combination of these sources.

19 (b) A lease may provide that payments by the redevelopment
 20 commission to the lessor are required only to the extent and only for the
 21 period that the lessor is able to provide the leased facilities in
 22 accordance with the lease. The terms of each lease must be based upon
 23 the value of the facilities leased and may not create a debt of the unit
 24 or the district for purposes of the Constitution of the State of Indiana.

25 (c) A lease may be entered into by the redevelopment commission
 26 only after a public hearing by the redevelopment commission at which
 27 all interested parties are provided the opportunity to be heard. After the
 28 public hearing, the redevelopment commission may adopt a resolution
 29 authorizing the execution of the lease on behalf of the unit if it finds
 30 that the service to be provided throughout the term of the lease will
 31 serve the public purpose of the unit and is in the best interests of its
 32 residents. Any lease approved by a resolution of the redevelopment
 33 commission must also be approved by an ordinance or resolution of the
 34 fiscal body of the unit. The approving ordinance or resolution of the
 35 fiscal body must include the following:

- 36 (1) The maximum annual lease rental for the lease.
- 37 (2) The maximum interest rate or rates, any provisions for
- 38 redemption before maturity, and any provisions for the payment
- 39 of capitalized interest associated with the lease.
- 40 (3) The maximum term of the lease.

41 (d) Upon execution of a lease providing for payments by the
 42 redevelopment commission in whole or in part from the levy of special



benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

(e) Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and information, the department of local government finance shall fix a time and place for a hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the department of local government finance to the members of the fiscal body, to the redevelopment commission, and to the first fifty (50) petitioners on the petition by a letter signed by the commissioner or deputy commissioner of the department and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the department of local government finance on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) A redevelopment commission entering into a lease payable from allocated taxes under section 39 **or 39.8** of this chapter or other available funds of the redevelopment commission may:

- (1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and
- (2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the redevelopment commission to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment



commission enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the department of local government finance, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department.

(j) If a redevelopment commission exercises an option to buy a leased facility from a lessor, the redevelopment commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the redevelopment commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the redevelopment commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 16. IC 36-7-14-26, AS AMENDED BY P.L.203-2011, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 26. (a) All proceeds from the sale of bonds under section 25.1 of this chapter shall be kept as a separate and specific fund to pay the expenses incurred in connection with the acquisition and redevelopment of property. The fund shall be known as the redevelopment district capital fund. Any surplus of funds remaining after all expenses are paid shall be paid into and become a part of the redevelopment district bond fund established under section 27 of this chapter.

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

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

(d) A redevelopment commission shall deposit in the allocation fund established under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter



1 of an allocation area the proceeds from the sale or leasing of property
2 in the area under section 22 of this chapter if:

- 3 (1) there are outstanding bonds that were issued to pay costs of
4 redevelopment in the allocation area; and
5 (2) the bonds are payable solely or in part from tax proceeds
6 allocated under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
7 chapter.

8 SECTION 17. IC 36-7-14-27, AS AMENDED BY P.L.149-2014,
9 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JANUARY 1, 2019]: Sec. 27. (a) This section applies only to:

- 11 (1) bonds that are issued under section 25.1 of this chapter; and
12 (2) leases entered into under section 25.2 of this chapter;

13 which are payable from a special tax levied upon all of the property in
14 the special taxing district. This section does not apply to bonds or
15 leases that are payable solely from tax proceeds allocated under section
16 ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter, other revenues of the
17 redevelopment commission, or any combination of these sources.

18 (b) The redevelopment commission, with the prior approval of the
19 legislative body, shall levy each year a special tax on all of the property
20 of the redevelopment taxing district, in such a manner as to meet and
21 pay the principal of the bonds as they mature, together with all accruing
22 interest on the bonds or lease rental payments under section 25.2 of this
23 chapter. The commission shall cause the tax levied to be certified to the
24 proper officers as other tax levies are certified, and to the auditor of the
25 county in which the redevelopment district is located, before the
26 second day of October in each year. The tax shall be estimated and
27 entered on the tax duplicate by the county auditor and shall be collected
28 and enforced by the county treasurer in the same manner as other state
29 and county taxes are estimated, entered, collected, and enforced. The
30 amount of the tax levied to pay bonds or lease rentals payable from the
31 tax levied under this section shall be reduced by any amount available
32 in the allocation fund established under section ~~39(b)(3)~~ **39(c)(3) or**
33 **39.8(c)(3)** of this chapter or other revenues of the redevelopment
34 commission to the extent such revenues have been set aside in the
35 redevelopment bond fund.

36 (c) As the tax is collected, it shall be accumulated in a separate fund
37 to be known as the redevelopment district bond fund and shall be
38 applied to the payment of the bonds as they mature and the interest on
39 the bonds as it accrues, or to make lease payments and to no other
40 purpose. All accumulations of the fund before their use for the payment
41 of bonds and interest or to make lease payments shall be deposited with
42 the depository or depositories for other public funds of the unit in



1 accordance with IC 5-13, unless they are invested under IC 5-13-9.

2 (d) If there are no outstanding bonds that are payable solely or in
3 part from tax proceeds allocated under section ~~39(b)(3)~~ **39(c)(3) or**
4 **39.8(c)(3)** of this chapter and that were issued to pay costs of
5 redevelopment in an allocation area that is located wholly or in part in
6 the special taxing district, then all proceeds from the sale or leasing of
7 property in the allocation area under section 22 of this chapter shall be
8 paid into the redevelopment district bond fund and become a part of
9 that fund. In arriving at the tax levy for any year, the redevelopment
10 commission shall take into account the amount of the proceeds
11 deposited under this subsection and remaining on hand.

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

17 SECTION 18. IC 36-7-14-39, AS AMENDED BY THE
18 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
19 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2019]: Sec. 39. **(a) This section applies only to an**
21 **allocation area initially established before January 1, 2019, and all**
22 **subsequent amendments to the allocation provision for the**
23 **allocation area.**

24 ~~(a)~~ **(b)** As used in this section:

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

29 "Base assessed value" means the following:

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

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

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

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



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

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

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

12 (3) If:

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

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

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

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

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

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

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



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

7 ~~(b)~~ (c) A declaratory resolution adopted under section 15 of this
 8 chapter on or before the allocation deadline determined under
 9 subsection ~~(i)~~ (j) may include a provision with respect to the allocation
 10 and distribution of property taxes for the purposes and in the manner
 11 provided in this section. A declaratory resolution previously adopted
 12 may include an allocation provision by the amendment of that
 13 declaratory resolution on or before the allocation deadline determined
 14 under subsection ~~(i)~~ (j) in accordance with the procedures required for
 15 its original adoption. A declaratory resolution or amendment that
 16 establishes an allocation provision must include a specific finding of
 17 fact, supported by evidence, that the adoption of the allocation
 18 provision will result in new property taxes in the area that would not
 19 have been generated but for the adoption of the allocation provision.
 20 For an allocation area established before July 1, 1995, the expiration
 21 date of any allocation provisions for the allocation area is June 30,
 22 2025, or the last date of any obligations that are outstanding on July 1,
 23 2015, whichever is later. A declaratory resolution or an amendment
 24 that establishes an allocation provision after June 30, 1995, must
 25 specify an expiration date for the allocation provision. For an allocation
 26 area established before July 1, 2008, the expiration date may not be
 27 more than thirty (30) years after the date on which the allocation
 28 provision is established. For an allocation area established after June
 29 30, 2008, the expiration date may not be more than twenty-five (25)
 30 years after the date on which the first obligation was incurred to pay
 31 principal and interest on bonds or lease rentals on leases payable from
 32 tax increment revenues. However, with respect to bonds or other
 33 obligations that were issued before July 1, 2008, if any of the bonds or
 34 other obligations that were scheduled when issued to mature before the
 35 specified expiration date and that are payable only from allocated tax
 36 proceeds with respect to the allocation area remain outstanding as of
 37 the expiration date, the allocation provision does not expire until all of
 38 the bonds or other obligations are no longer outstanding. The allocation
 39 provision may apply to all or part of the redevelopment project area.
 40 The allocation provision must require that any property taxes
 41 subsequently levied by or for the benefit of any public body entitled to
 42 a distribution of property taxes on taxable property in the allocation



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



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

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

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include



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

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

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

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

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

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

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

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most



recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

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

(ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be



1 allocated to the respective taxing units in the manner
2 prescribed in subdivision (1).

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

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

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

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

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

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

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



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

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

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



1 plan.

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

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

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

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

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

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

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

22 SECTION 19. IC 36-7-14-39.2, AS AMENDED BY P.L.119-2012,
23 SECTION 207, IS AMENDED TO READ AS FOLLOWS
24 [EFFECTIVE JANUARY 1, 2019]: Sec. 39.2. (a) This section applies
25 to a county having a population of more than two hundred fifty
26 thousand (250,000) but less than two hundred seventy thousand
27 (270,000).

28 (b) As used in this section, "designated taxpayer" means any
29 taxpayer designated by the commission in a declaratory resolution
30 adopted or amended under section 15 or 17.5 of this chapter and with
31 respect to which the commission finds that taxes to be derived from the
32 taxpayer's depreciable personal property in the allocation area, in
33 excess of the taxes attributable to the base assessed value of that
34 personal property, are reasonably expected to exceed in one (1) or more
35 future years the taxes to be derived from the taxpayer's real property in
36 the allocation area in excess of the taxes attributable to the base
37 assessed value of that real property.

38 (c) The allocation provision of a declaratory resolution may modify
39 the definition of "property taxes" under section ~~39(a)~~ **39(b)** of this
40 chapter to include taxes imposed under IC 6-1.1 on the depreciable
41 personal property of designated taxpayers, in accordance with the
42 procedures and limitations set forth in this section and section 39 of



1 this chapter. If such a modification is included in the resolution for
 2 purposes of section 39 of this chapter, the term "base assessed value"
 3 with respect to the depreciable personal property of designated
 4 taxpayers means the net assessed value of all the depreciable personal
 5 property as finally determined for the assessment date immediately
 6 preceding:

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

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

11 as adjusted under section ~~39(h)~~ **39(i)** of this chapter.

12 SECTION 20. IC 36-7-14-39.3, AS AMENDED BY P.L.6-2012,
 13 SECTION 244, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2019]: Sec. 39.3. (a) As used in this
 15 section, "depreciable personal property" refers to:

16 (1) all of the designated taxpayer's depreciable personal property
 17 that is located in the allocation area; and

18 (2) all other depreciable property located and taxable on the
 19 designated taxpayer's site of operations within the allocation area.

20 (b) As used in this section, "designated taxpayer" means any
 21 taxpayer designated by the commission in a declaratory resolution
 22 adopted or amended under section 15 or 17.5 of this chapter, and with
 23 respect to which the commission finds that taxes to be derived from the
 24 depreciable personal property in the allocation area, in excess of the
 25 taxes attributable to the base assessed value of that personal property,
 26 are needed to pay debt service or to provide security for bonds issued
 27 under section 25.1 of this chapter or to make payments or to provide
 28 security on leases payable under section 25.2 of this chapter in order to
 29 provide local public improvements for a particular allocation area.
 30 However, a commission may not designate a taxpayer after June 30,
 31 1992, unless the commission also finds that:

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

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

40 (c) The allocation provision of a declaratory resolution may modify
 41 the definition of "property taxes" under section ~~39(a)~~ **39(b) or 39.8(b)**
 42 of this chapter to include taxes imposed under IC 6-1.1 on the



depreciable personal property located and taxable on the site of operations of the designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 **or 39.8** of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

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

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

as adjusted under section ~~39(h)~~ **39(i) or 39.8(i)** of this chapter.

(d) A declaratory resolution of a city redevelopment commission that is adopted before March 20, 1990, is legalized and validated as if it had been adopted under this section.

(e) An action taken by a redevelopment commission before February 24, 1992, to designate a taxpayer, modify the definition of property taxes, or establish a base assessed value as described in this section, as in effect on February 24, 1992, is legalized and validated as if this section, as in effect on February 24, 1992, had been in effect on the date of the action.

(f) The amendment made to this section by P.L.41-1992, does not affect actions taken pursuant to P.L.35-1990.

(g) A declaratory resolution or an amendment to a declaratory resolution that was adopted by:

(1) a county redevelopment commission for a county; or

(2) a city redevelopment commission for a city;

before February 26, 1992, is legalized and validated as if the declaratory resolution or amendment had been adopted under this section as amended by P.L.147-1992.

SECTION 21. IC 36-7-14-39.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: **Sec. 39.8. (a) This section applies only to an allocation area initially established after December 31, 2018, and all subsequent amendments to the allocation provision for the allocation area.**

(b) The following definitions apply throughout this section:

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



1 **(2) "Base assessed value", with respect to a specified**
 2 **participating taxing unit, means the following:**

3 **(A) If an allocation provision is adopted in a declaratory**
 4 **resolution or an amendment to a declaratory resolution**
 5 **establishing an economic development area:**

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

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

17 **(B) If an allocation provision is adopted in a declaratory**
 18 **resolution or an amendment to a declaratory resolution**
 19 **establishing a redevelopment project area:**

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

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

31 **(C) For all other allocation areas, the net assessed value of**
 32 **all the property as finally determined for the assessment**
 33 **date immediately preceding the effective date of the**
 34 **allocation provision of the declaratory resolution, as**
 35 **adjusted under subsection (i).**

36 **(3) "Participating taxing unit" for an allocation area means**
 37 **the following taxing units that are wholly or partly located in**
 38 **the allocation area:**

39 **(A) A unit or school corporation that elects to be subject to**
 40 **an allocation provision under section 17(d) of this chapter.**

41 **(B) A taxing unit that is not a unit or school corporation.**

42 **(4) Except as provided in section 39.3 of this chapter,**



1 **"property taxes" means taxes imposed under IC 6-1.1 on real**
 2 **property.**

3 **(c) A declaratory resolution adopted under section 15 of this**
 4 **chapter on or before the allocation deadline determined under**
 5 **subsection (j) may include a provision with respect to the allocation**
 6 **and distribution of property taxes for the purposes and in the**
 7 **manner provided in this section. A declaratory resolution**
 8 **previously adopted may include an allocation provision by the**
 9 **amendment of that declaratory resolution on or before the**
 10 **allocation deadline determined under subsection (j) in accordance**
 11 **with the procedures required for its original adoption. A**
 12 **declaratory resolution or amendment that establishes an allocation**
 13 **provision must include a specific finding of fact, supported by**
 14 **evidence, that the adoption of the allocation provision will result in**
 15 **new property taxes in the area that would not have been generated**
 16 **but for the adoption of the allocation provision. A declaratory**
 17 **resolution or an amendment that establishes an allocation**
 18 **provision must specify an expiration date for the allocation**
 19 **provision. The expiration date of an allocation area may not be**
 20 **more than twenty-five (25) years after the date on which the first**
 21 **obligation is incurred to pay principal and interest on bonds or**
 22 **lease rentals on leases payable from tax increment revenues. The**
 23 **allocation provision may apply to all or part of the redevelopment**
 24 **project area. The allocation provision must require that any**
 25 **property taxes subsequently levied by a participating taxing unit**
 26 **for the benefit of the participating taxing unit or another public**
 27 **body be allocated and distributed as follows:**

28 **(1) Except as otherwise provided in this section, for each**
 29 **participating taxing unit, the proceeds of the taxes**
 30 **attributable to the lesser of:**

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

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

37 **(2) The excess of the proceeds of the property taxes imposed**
 38 **for the assessment date with respect to which the allocation**
 39 **and distribution is made that are attributable to taxes**
 40 **imposed after being approved by the voters in a referendum**
 41 **or local public question not otherwise included in subdivision**

42 **(1) shall be allocated to and, when collected, paid into the**



funds of the participating taxing unit for which the referendum or local public question was conducted.

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

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

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

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

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

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

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

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

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

(I) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public



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

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

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

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

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

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

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

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

(4) Except as provided in subsection (h), before July 1 of each year, the commission shall do the following:

- (A) For each participating taxing unit, determine the



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

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

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

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

The county auditor shall allocate to the respective participating taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective participating taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

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

(ii) the amount necessary for other purposes described in



- 1 subdivision (3);
 2 the commission shall submit to the legislative body of the
 3 unit its determination of the excess assessed value that the
 4 commission proposes to allocate to the respective
 5 participating taxing units in the manner prescribed in
 6 subdivision (1). The legislative body of the unit may
 7 approve the commission's determination or modify the
 8 amount of the excess assessed value that will be allocated
 9 to the respective participating taxing units in the manner
 10 prescribed in subdivision (1).
- 11 (d) For the purpose of allocating taxes levied by or for any
 12 participating taxing unit or units, the assessed value of taxable
 13 property in a territory in the allocation area that is annexed by any
 14 participating taxing unit after the effective date of the allocation
 15 provision of the declaratory resolution is the lesser of:
 16 (1) the assessed value of the property in the participating
 17 taxing unit for the assessment date with respect to which the
 18 allocation and distribution is made; or
 19 (2) the base assessed value of the participating taxing unit.
- 20 (e) Property tax proceeds allocable to the redevelopment district
 21 under subsection (c)(3) may, subject to subsection (c)(4), be
 22 irrevocably pledged by the redevelopment district for payment as
 23 set forth in subsection (c)(3).
- 24 (f) Notwithstanding any other law, each assessor shall, upon
 25 petition of the redevelopment commission, reassess the taxable
 26 property situated upon or in, or added to, the allocation area,
 27 effective on the next assessment date after the petition.
- 28 (g) Notwithstanding any other law, for each participating taxing
 29 unit, the assessed value of all taxable property in the part of the
 30 participating taxing unit in the allocation area, for purposes of tax
 31 limitation, property tax replacement, and formulation of the
 32 budget, tax rate, and tax levy, is the lesser of:
 33 (1) the assessed value of the property in the part of the
 34 participating taxing unit in the allocation area as valued
 35 without regard to this section; or
 36 (2) the base assessed value of the participating taxing unit.
- 37 (h) If any part of the allocation area is located in an enterprise
 38 zone created under IC 5-28-15, the unit that designated the
 39 allocation area shall create funds as specified in this subsection. A
 40 unit that has obligations, bonds, or leases payable from allocated
 41 tax proceeds under subsection (c)(3) shall establish an allocation
 42 fund for the purposes specified in subsection (c)(3) and a special



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

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



under this section. However, the adjustments under this subsection:

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

(2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (c)(3) than would otherwise have been received if the reassessment under the reassessment plan or the annual adjustment had not occurred; and

(3) may decrease the base assessed value of a participating taxing unit only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

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

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

(1) The initial allocation deadline is December 31, 2021.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines after the initial allocation deadline fall on December 31, 2026, and December 31 of each fifth year thereafter.

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

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

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

SECTION 22. IC 36-7-14-45, AS ADDED BY P.L.154-2006, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 45. (a) The commission may establish a program for housing by resolution. The program, which may include any relevant elements the commission considers appropriate, may be adopted as part of a redevelopment plan or amendment to a redevelopment plan, and must establish an allocation area for purposes of ~~sections~~ **section 39 or 39.8 of this chapter** and **section 48** of this



chapter for the accomplishment of the program. The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(b) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any housing program to the commission, the department of redevelopment:

(1) shall consult with persons interested in or affected by the proposed program;

(2) shall provide the affected neighborhood associations, residents, and township assessors with an adequate opportunity to participate in an advisory role in planning, implementing, and evaluating the proposed program; and

(3) shall hold public meetings in the affected neighborhood to obtain the views of neighborhood associations and residents.

SECTION 23. IC 36-7-14-46, AS AMENDED BY P.L.149-2014, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 46. All the rights, powers, privileges, and immunities that may be exercised by the commission in blighted, deteriorated, or deteriorating areas may be exercised by the commission in implementing its program for housing, including the following:

(1) The special tax levied in accordance with section 27 of this chapter may be used to accomplish the housing program.

(2) Bonds may be issued under this chapter to accomplish the housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area except for refunding bonds or bonds issued in an amount necessary to complete a housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under section 39 **or 39.8** of this chapter.

SECTION 24. IC 36-7-14-48, AS AMENDED BY P.L.184-2016, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 48. (a) Notwithstanding section ~~39(a)~~ **39(b)**



1 **or 39.8(b)** of this chapter, with respect to the allocation and
 2 distribution of property taxes for the accomplishment of a program
 3 adopted under section 45 of this chapter, "base assessed value" means
 4 the net assessed value of all of the property, other than personal
 5 property, as finally determined for the assessment date immediately
 6 preceding the effective date of the allocation provision, as adjusted
 7 under section ~~39(h)~~ **39(i) or 39.8(i)** of this chapter.

8 (b) The allocation fund established under section ~~39(b)~~ **39(c) or**
 9 **39.8(c)** of this chapter for the allocation area for a program adopted
 10 under section 45 of this chapter may be used only for purposes related
 11 to the accomplishment of the program, including the following:

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

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

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

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

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

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

28 (7) For property taxes first due and payable before January 1,
 29 2009, providing each taxpayer in the allocation area a credit for
 30 property tax replacement as determined under subsections (c) and
 31 (d). However, the commission may provide this credit only if the
 32 municipal legislative body (in the case of a redevelopment
 33 commission established by a municipality) or the county
 34 executive (in the case of a redevelopment commission established
 35 by a county) establishes the credit by ordinance adopted in the
 36 year before the year in which the credit is provided.

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

41 STEP ONE: Determine that part of the sum of the amounts
 42 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)



through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

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

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

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

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

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

(e) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter, ~~the an~~ allocation fund established under section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in:

(A) section ~~39(b)(3)(A)~~ **39(c)(3)(A)** through ~~39(b)(3)(H)~~



- 1 **39(c)(3)(H) and ~~39(b)(3)(I)~~ 39(c)(3)(J)** of this chapter; **or**
 2 **(B) section 39.8(c)(3)(A) through 39.8(c)(3)(I) of this**
 3 **chapter;**
 4 for property that is residential in nature.
 5 (2) Reimburse the county or municipality for expenditures made
 6 by the county or municipality in order to accomplish the housing
 7 program in that allocation area.
 8 The allocation fund may not be used for operating expenses of the
 9 commission.
 10 (f) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter,
 11 the commission shall, relative to the allocation fund established under
 12 section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for an allocation area for
 13 a program adopted under section 45 of this chapter, do the following
 14 before June 15 of each year:
 15 (1) Determine the amount, if any, by which the assessed value of
 16 the taxable property in the allocation area for the most recent
 17 assessment date minus the base assessed value, when multiplied
 18 by the estimated tax rate of the allocation area, will exceed the
 19 amount of assessed value needed to produce the property taxes
 20 necessary to:
 21 (A) make the distribution required under section ~~39(b)(2)~~
 22 **39(c)(2) or 39.8(c)(2)** of this chapter;
 23 (B) make, when due, principal and interest payments on bonds
 24 described in section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
 25 chapter;
 26 (C) pay the amount necessary for other purposes described in
 27 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and
 28 (D) reimburse the county or municipality for anticipated
 29 expenditures described in subsection (e)(2).
 30 (2) Provide a written notice to the county auditor, the fiscal body
 31 of the county or municipality that established the department of
 32 redevelopment, the officers who are authorized to fix budgets, tax
 33 rates, and tax levies under IC 6-1.1-17-5 for each of the other
 34 taxing units that is wholly or partly located within the allocation
 35 area, and (in an electronic format) the department of local
 36 government finance. The notice must:
 37 (A) state the amount, if any, of excess property taxes that the
 38 commission has determined may be paid to the respective
 39 taxing units in the manner prescribed in section ~~39(b)(1)~~
 40 **39(c)(1) or 39.8(c)(1)** of this chapter; or
 41 (B) state that the commission has determined that there is no
 42 excess assessed value that may be allocated to the respective



1 taxing units in the manner prescribed in subdivision (1).
2 The county auditor shall allocate to the respective taxing units the
3 amount, if any, of excess assessed value determined by the
4 commission.
5 (3) If:
6 (A) the amount of excess assessed value determined by the
7 commission is expected to generate more than two hundred
8 percent (200%) of the amount of allocated tax proceeds
9 necessary to make, when due, principal and interest payments
10 on bonds described in subdivision (1); plus
11 (B) the amount necessary for other purposes described in
12 subdivision (1);
13 the commission shall submit to the legislative body of the unit its
14 determination of the excess assessed value that the commission
15 proposes to allocate to the respective taxing units in the manner
16 prescribed in subdivision (2). The legislative body of the unit may
17 approve the commission's determination or modify the amount of
18 the excess assessed value that will be allocated to the respective
19 taxing units in the manner prescribed in subdivision (2).
20 (g) This subsection applies to an allocation area only to the extent
21 that the net assessed value of property that is assessed as residential
22 property under the rules of the department of local government finance
23 is not included in the base assessed value. If property tax installments
24 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in
25 installments established by the department of local government finance
26 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an
27 allocation area is entitled to an additional credit under subsection (d)
28 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in
29 installments. The credit shall be applied in the same proportion to each
30 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).
31 SECTION 25. IC 36-7-14-49, AS ADDED BY P.L.7-2013,
32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2019]: Sec. 49. (a) A commission may adopt a resolution
34 to establish a program for age-restricted housing. The program:
35 (1) must be limited to age-restricted housing that satisfies the
36 requirements of 42 U.S.C. 3607 (the federal Housing for Older
37 Persons Act);
38 (2) may include any relevant elements the commission considers
39 appropriate;
40 (3) may be adopted as part of a redevelopment plan or an
41 amendment to a redevelopment plan; and
42 (4) may establish an allocation area for purposes of ~~sections~~



section 39 or 39.8 of this chapter and **section 50** of this chapter for the accomplishment of the program.

The program must be approved by the municipal legislative body or county executive as specified in section 17 of this chapter.

(b) The notice and hearing provisions of sections 17 and 17.5 of this chapter, including notice under section 17(c) of this chapter to a taxing unit that is wholly or partly located within an allocation area, apply to the resolution adopted under subsection (a). Judicial review of the resolution may be made under section 18 of this chapter.

(c) Before formal submission of any age-restricted housing program to the commission, the department of redevelopment:

(1) shall consult with persons interested in or affected by the proposed program; and

(2) shall hold public meetings in the areas to be affected by the proposed program to obtain the views of affected persons.

SECTION 26. IC 36-7-14-50, AS AMENDED BY P.L.2-2014, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 50. (a) Except as provided in subsection (b), all the rights, powers, privileges, and immunities that may be exercised by a commission in blighted, deteriorated, or deteriorating areas may be exercised by a commission in implementing its program for age-restricted housing, including the following:

(1) The special tax levied in accordance with section 27 of this chapter may be used to accomplish the purposes of the age-restricted housing program.

(2) Bonds may be issued under this chapter to accomplish the purposes of the age-restricted housing program, but only one (1) issue of bonds may be issued and payable from increments in any allocation area established under section 49 of this chapter, except for refunding bonds or bonds issued in an amount necessary to complete an age-restricted housing program for which bonds were previously issued.

(3) Leases may be entered into under this chapter to accomplish the purposes of the age-restricted housing program.

(4) The tax exemptions set forth in section 37 of this chapter are applicable.

(5) Property taxes may be allocated under **section 39 or 39.8** of this chapter.

(b) A commission may not exercise the power of eminent domain in implementing its age-restricted housing program.

SECTION 27. IC 36-7-14-52, AS AMENDED BY P.L.184-2016, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JANUARY 1, 2019]: Sec. 52. (a) Notwithstanding section ~~39(a)~~ **39(b) or 39.8(b)** of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 49 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section ~~39(h)~~ **39(i) or 39.8(i)** of this chapter.

(b) The allocation fund established under section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for the allocation area for an age-restricted housing program adopted under section 49 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

- (1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.
- (2) The acquisition of real property and interests in real property within the allocation area.
- (3) The preparation of real property in anticipation of development of the real property within the allocation area.
- (4) To do any of the following:
 - (A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 49 of this chapter for the allocation area.
 - (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in the allocation area.
 - (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in the allocation area and from the special tax levied under section 27 of this chapter.
 - (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to the allocation area.
 - (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in the allocation area.
 - (F) Make payments on leases payable from allocated tax proceeds in the allocation area under section 25.2 of this



1 chapter.

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

7 (c) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter,
8 the commission shall, relative to the allocation fund established under
9 section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for an allocation area for
10 an age-restricted housing program adopted under section 49 of this
11 chapter, do the following before June 15 of each year:

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

18 (A) make the distribution required under section ~~39(b)(2)~~
19 **39(c)(2) or 39.8(c)(2)** of this chapter;

20 (B) make, when due, principal and interest payments on bonds
21 described in section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
22 chapter;

23 (C) pay the amount necessary for other purposes described in
24 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and

25 (D) reimburse the county or municipality for anticipated
26 expenditures described in subsection (b)(2).

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

34 (A) state the amount, if any, of excess property taxes that the
35 commission has determined may be paid to the respective
36 taxing units in the manner prescribed in section ~~39(b)(1)~~
37 **39(c)(1) or 39.8(c)(1)** of this chapter; or

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

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



commission.

SECTION 28. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 1. As used in this chapter, "property taxes" means:

(1) property taxes, as described in:

(A) IC 6-1.1-39-5(g);

(B) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;

(C) IC 36-7-14-39.8(b);

~~(D)~~ **(D)** IC 36-7-14-39.2;

~~(E)~~ **(E)** IC 36-7-14-39.3(c);

~~(F)~~ **(F)** IC 36-7-14.5-12.5;

~~(G)~~ **(G)** IC 36-7-15.1-26(a);

~~(H)~~ **(H)** IC 36-7-15.1-26.2(c);

~~(I)~~ **(I)** IC 36-7-15.1-53(a);

~~(J)~~ **(J)** IC 36-7-15.1-55(c);

~~(K)~~ **(K)** IC 36-7-30-25(a)(3);

~~(L)~~ **(L)** IC 36-7-30-26(c);

~~(M)~~ **(M)** IC 36-7-30.5-30; or

~~(N)~~ **(N)** IC 36-7-30.5-31; and

(2) for allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 29. IC 36-7-14.5-12.5, AS AMENDED BY P.L.242-2015, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2019]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.

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

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

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

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

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



- 1 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
- 2 lease, or any combination of methods, any personal property or
- 3 interest in real property needed for the redevelopment of
- 4 economic development areas located within the corporate
- 5 boundaries of the unit.
- 6 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
- 7 other instrument), exchange, lease, rent, or otherwise dispose of
- 8 property acquired for use in the redevelopment of economic
- 9 development areas on the terms and conditions that the authority
- 10 considers best for the unit and the unit's inhabitants.
- 11 (3) Sell, lease, or grant interests in all or part of the real property
- 12 acquired for redevelopment purposes to any other department of
- 13 the unit or to any other governmental agency for public ways,
- 14 levees, sewerage, parks, playgrounds, schools, and other public
- 15 purposes on any terms that may be agreed on.
- 16 (4) Clear real property acquired for redevelopment purposes.
- 17 (5) Repair and maintain structures acquired for redevelopment
- 18 purposes.
- 19 (6) Remodel, rebuild, enlarge, or make major structural
- 20 improvements on structures acquired for redevelopment purposes.
- 21 (7) Survey or examine any land to determine whether the land
- 22 should be included within an economic development area to be
- 23 acquired for redevelopment purposes and to determine the value
- 24 of that land.
- 25 (8) Appear before any other department or agency of the unit, or
- 26 before any other governmental agency in respect to any matter
- 27 affecting:
- 28 (A) real property acquired or being acquired for
- 29 redevelopment purposes; or
- 30 (B) any economic development area within the jurisdiction of
- 31 the authority.
- 32 (9) Institute or defend in the name of the unit any civil action, but
- 33 all actions against the authority must be brought in the circuit or
- 34 superior court of the county where the authority is located.
- 35 (10) Use any legal or equitable remedy that is necessary or
- 36 considered proper to protect and enforce the rights of and perform
- 37 the duties of the authority.
- 38 (11) Exercise the power of eminent domain in the name of and
- 39 within the corporate boundaries of the unit subject to the same
- 40 conditions and procedures that apply to the exercise of the power
- 41 of eminent domain by a redevelopment commission under
- 42 IC 36-7-14.



- 1 (12) Appoint an executive director, appraisers, real estate experts,
2 engineers, architects, surveyors, and attorneys.
- 3 (13) Appoint clerks, guards, laborers, and other employees the
4 authority considers advisable, except that those appointments
5 must be made in accordance with the merit system of the unit if
6 such a system exists.
- 7 (14) Prescribe the duties and regulate the compensation of
8 employees of the authority.
- 9 (15) Provide a pension and retirement system for employees of
10 the authority by using the public employees' retirement fund or a
11 retirement plan approved by the United States Department of
12 Housing and Urban Development.
- 13 (16) Discharge and appoint successors to employees of the
14 authority subject to subdivision (13).
- 15 (17) Rent offices for use of the department or authority, or accept
16 the use of offices furnished by the unit.
- 17 (18) Equip the offices of the authority with the necessary
18 furniture, furnishings, equipment, records, and supplies.
- 19 (19) Design, order, contract for, and construct, reconstruct,
20 improve, or renovate the following:
21 (A) Any local public improvement or structure that is
22 necessary for redevelopment purposes or economic
23 development within the corporate boundaries of the unit.
24 (B) Any structure that enhances development or economic
25 development.
- 26 (20) Contract for the construction, extension, or improvement of
27 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).
- 28 (21) Accept loans, grants, and other forms of financial assistance
29 from, or contract with, the federal government, the state
30 government, a municipal corporation, a special taxing district, a
31 foundation, or any other source.
- 32 (22) Make and enter into all contracts and agreements necessary
33 or incidental to the performance of the duties of the authority and
34 the execution of the powers of the authority under this chapter.
- 35 (23) Take any action necessary to implement the purpose of the
36 authority.
- 37 (24) Provide financial assistance, in the manner that best serves
38 the purposes set forth in section 11 of this chapter, including
39 grants and loans, to enable private enterprise to develop,
40 redevelop, and reuse military base property or otherwise enable
41 private enterprise to provide social and economic benefits to the
42 citizens of the unit.



(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 **or IC 36-7-14-39.8** for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under ~~IC 36-7-14-39(a)~~ **IC 36-7-14-39(b) or IC 36-7-14-39.8(b)** to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39 **or IC 36-7-14-39.8** apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, except that the expiration date of any allocation provision for the allocation area is the later of July 1, 2016, or the expiration date determined under ~~IC 36-7-14-39(b)~~, **IC 36-7-14-39(c) or IC 36-7-14-39.8(c)**, and except that, notwithstanding ~~IC 36-7-14-39(b)(3)~~, **IC 36-7-14-39(c)(3) or IC 36-7-14-39.8(c)(3)**, property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

- (1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefiting that allocation area.
- (2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).
- (3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.



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

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

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

(A) in the allocation area; and

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

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

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefiting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

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

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

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

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

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

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

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



- 1 (C) from a combination of the methods stated in clauses (A)
- 2 and (B).
- 3 (6) Proceeds from the sale of bonds may be used to pay the cost
- 4 of interest on the bonds for a period not to exceed five (5) years
- 5 from the date of issuance.
- 6 (7) Laws relating to the filing of petitions requesting the issuance
- 7 of bonds and the right of taxpayers and voters to remonstrate
- 8 against the issuance of bonds do not apply to bonds issued under
- 9 this section.
- 10 (8) If a debt service reserve is created from the proceeds of bonds,
- 11 the debt service reserve may be used to pay principal and interest
- 12 on the bonds as provided in the bond resolution.
- 13 (9) If bonds are issued under this chapter that are payable solely
- 14 or in part from revenues to the authority from a project or
- 15 projects, the authority may adopt a resolution or trust indenture or
- 16 enter into covenants as is customary in the issuance of revenue
- 17 bonds. The resolution or trust indenture may pledge or assign the
- 18 revenues from the project or projects. The resolution or trust
- 19 indenture may also contain any provisions for protecting and
- 20 enforcing the rights and remedies of the bond owners as may be
- 21 reasonable and proper and not in violation of law, including
- 22 covenants setting forth the duties of the authority. The authority
- 23 may establish fees and charges for the use of any project and
- 24 covenant with the owners of any bonds to set those fees and
- 25 charges at a rate sufficient to protect the interest of the owners of
- 26 the bonds. Any revenue bonds issued by the authority that are
- 27 payable solely from revenues of the authority shall contain a
- 28 statement to that effect in the form of bond.
- 29 (f) Notwithstanding section 8(a) of this chapter, an ordinance
- 30 adopted under section 11 of this chapter may provide, or be amended
- 31 to provide, that the board of directors of the authority shall be
- 32 composed of not fewer than three (3) nor more than eleven (11)
- 33 members, who must be residents of or be employed at a place of
- 34 employment located within the unit. The members shall be appointed
- 35 by the executive of the unit.
- 36 (g) The acquisition of real and personal property by an authority
- 37 under this section is not subject to the provisions of IC 5-22,
- 38 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
- 39 purchase of property by public bodies or their agencies.
- 40 (h) An authority may negotiate for the sale, lease, or other
- 41 disposition of real and personal property without complying with the
- 42 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other



statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

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

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

(2) "Base assessed value" means:

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

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

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

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the part of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

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



(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c) or IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

(1) or more of the following:

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

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



that allocation area or from other revenues of the reuse authority, including lease rental revenues.

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

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

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

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

(i) in the allocation area; and

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

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

(G) Expend money and provide financial assistance as authorized in section 9(a)(25) of this chapter.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

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

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



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

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the reuse authority has determined that there are no excess property tax proceeds that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (3) or lessors under section 19 of this chapter.

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

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

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

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

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

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



(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each ~~general reassessment of real property in an area under IC 6-1.1-4-4~~ or reassessment under the county's reassessment plan under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section.



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

10 SECTION 31. IC 36-7-30.5-30, AS AMENDED BY THE
 11 TECHNICAL CORRECTIONS BILL OF THE 2018 GENERAL
 12 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2019]: Sec. 30. (a) The following definitions apply
 14 throughout this section:

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

19 (2) "Base assessed value" means:

20 (A) the net assessed value of all the property as finally
 21 determined for the assessment date immediately preceding the
 22 adoption 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) or (C), the
 25 net assessed value of any and all parcels or classes of parcels
 26 identified as part of the base assessed value in the declaratory
 27 resolution or an amendment to the declaratory resolution, as
 28 finally determined for any subsequent assessment date; plus

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

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

36 (b) A declaratory resolution adopted under section 16 of this chapter
 37 before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c) or**
 38 **IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under
 39 IC 36-7-14-15 may include a provision with respect to the allocation
 40 and distribution of property taxes for the purposes and in the manner
 41 provided in this section. A declaratory resolution previously adopted
 42 may include an allocation provision by the amendment of that



1 declaratory resolution in accordance with the procedures set forth in
 2 section 18 of this chapter. The allocation provision may apply to all or
 3 part of the military base development area. The allocation provision
 4 must require that any property taxes subsequently levied by or for the
 5 benefit of any public body entitled to a distribution of property taxes on
 6 taxable property in the allocation area be allocated and distributed as
 7 follows:

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

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

13 (B) the base assessed value;

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

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

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

30 (A) Pay the principal of and interest and redemption premium
 31 on any obligations incurred by the development authority or
 32 any other entity for the purpose of financing or refinancing
 33 military base development or reuse activities in or directly
 34 serving or benefiting that allocation area.

35 (B) Establish, augment, or restore the debt service reserve for
 36 bonds payable solely or in part from allocated tax proceeds in
 37 that allocation area or from other revenues of the development
 38 authority, including lease rental revenues.

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

41 (D) Reimburse any other governmental body for expenditures
 42 made for local public improvements (or structures) in or



1 directly serving or benefiting that allocation area.

2 (E) For property taxes first due and payable before 2009, pay
3 all or a part of a property tax replacement credit to taxpayers
4 in an allocation area as determined by the development
5 authority. This credit equals the amount determined under the
6 following STEPS for each taxpayer in a taxing district (as
7 defined in IC 6-1.1-1-20) that contains all or part of the
8 allocation area:

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

14 STEP TWO: Divide:

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

20 (ii) the STEP ONE sum.

21 STEP THREE: Multiply:

22 (i) the STEP TWO quotient; by

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

27 If not all the taxpayers in an allocation area receive the credit
28 in full, each taxpayer in the allocation area is entitled to
29 receive the same proportion of the credit. A taxpayer may not
30 receive a credit under this section and a credit under section
31 32 of this chapter (before its repeal) in the same year.

32 (F) Pay expenses incurred by the development authority for
33 local public improvements or structures that were in the
34 allocation area or directly serving or benefiting the allocation
35 area.

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

39 (i) in the allocation area; and

40 (ii) on a parcel of real property that has been classified as
41 industrial property under the rules of the department of local
42 government finance.



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

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

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

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

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

(B) Provide a written notice to the appropriate county auditors and the fiscal bodies and other officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

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

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

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



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

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

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

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the



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

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

