



Reprinted  
March 1, 2016

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## ENGROSSED SENATE BILL No. 321

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DIGEST OF SB 321 (Updated February 29, 2016 5:51 pm - DI 120)

**Citations Affected:** IC 6-1.1; IC 6-3.6; IC 12-29; IC 36-1.5; IC 36-7; noncode.

**Synopsis:** Local government budgeting. Provides that for each budget year after 2018, the department of local government finance (DLGF) shall certify a political subdivision's budget, tax rate, and tax levy not later than: (1) December 31 of the year preceding the budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal; or (2) January 15 of the budget year, if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal. (Under current law, these certifications must be completed not later than February 15 of the budget year.) Retains the November 1 deadline for a political subdivision to adopt a budget for the following year. Specifies that after 2017, the county auditor shall provide before June 1 an initial estimate of assessed valuations to political subdivisions within the county. For calendar years after 2017,  
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**Effective:** Upon passage; July 1, 2016.

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### Miller Pete, Grooms, Buck

(HOUSE SPONSOR — HUSTON)

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January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.  
January 21, 2016, amended, reported favorably — Do Pass.  
January 28, 2016, read second time, amended, ordered engrossed.  
January 29, 2016, engrossed.  
February 1, 2016, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 9, 2016, read first time and referred to Committee on Ways and Means.  
February 25, 2016, amended, reported — Do Pass.  
February 29, 2016, read second time, amended, ordered engrossed.

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ES 321—LS 6892/DI 73



changes: (1) the date by which a county must submit the coefficient of dispersion study and property sales assessment ratio study to the DLGF; (2) the date by which a political subdivision must submit a proposal to establish a cumulative fund to the DLGF; (3) the date by which the budget agency must provide to the DLGF and county auditors an estimate of each county's local income tax distributions for the following year; and (4) the date by which the DLGF must estimate each taxing unit's distribution of local income tax for the following year. Changes other deadlines in the local budgeting process in order to conform to the December 15 deadline for DLGF certification of budgets, tax rates, and tax levies. Provides that the DLGF shall before July 15 of each year provide taxing units with an estimate of the maximum property tax levies that will apply for the ensuing calendar year. Provides that the DLGF must before August 1 of each year provide to each taxing unit an estimate of the amount by which the taxing unit's distribution of property taxes may be reduced by circuit breaker credits in the ensuing year. Provides that for a fund of a political subdivision subject to the levy limits, the DLGF shall calculate and certify the allowable budget of the fund if the political subdivision adopts a tax levy that exceeds the estimated maximum levy limits as provided by the DLGF. Specifies that for a fund subject to levy limits and for which the political subdivision adopts a tax levy that is not more than the levy limits, the DLGF shall review the fund to ensure the adopted budget is fundable based on the unit's adopted tax levy and estimates of available revenues. Requires the budget agency to provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the DLGF before July 1 of each year. Requires the DLGF to provide to political subdivisions: (1) the maximum property tax rate that may be imposed by the political subdivision for each cumulative fund or other fund for which a maximum rate is established; and (2) the property tax rates that must be imposed by the political subdivision in the following year for debt service. Requires the DLGF to update the estimate before August 1. Provides that in formulating a political subdivision's estimated budget, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimates by the department of local government finance of: (1) the amount by which the political subdivision's distribution of property taxes will be reduced by circuit breaker credits; and (2) the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year. Repeals the statutes concerning county fiscal body nonbinding review of local budgets, tax levies, and tax rates and the nonbinding review pilot project. Requires the county fiscal body to review the following at a public meeting: (1) The estimated levy limits provided by the DLGF. (2) The estimated circuit breaker credit impact on taxing units. Provides that after this meeting is held, the county fiscal body may prepare and distribute a written recommendation for taxing units in the county. For property taxes first due and payable after December 31, 2016, provides that the maximum appropriations for a community intellectual disability and other developmental disabilities center is equal to the maximum allowable appropriation by the county for the preceding year multiplied by the assessed value growth quotient. Specifies that a county shall fund the operation of community mental health centers (unless a lower tax levy amount will be adequate to fulfill the county's financial obligations, as provided under current law) in an amount equal to: (1) the maximum amount that was the could have been levied in the county in preceding year (using the amount calculated under for this purpose in 2004 as the base amount); multiplied by (2) the county's assessed value growth quotient. Requires the DLGF to provide to counties before July 15 of

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## Digest Continued

each year an estimate of the maximum appropriation amount for the ensuing year. Provides that for purposes of determining the property tax levy limits, a county's or municipality tax levy excludes all the taxes imposed for a county or municipal cumulative capital development fund. Requires the DLGF to provide annually to each county and municipality an estimate of: (1) the maximum tax rate that the county, city, or town may impose for a cumulative capital development fund; and (2) the maximum amount of property taxes imposed for community mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from the levy limits for the ensuing year. Requires the DLGF to make a one time permanent adjustment to the levy limits equal to the amount of property taxes imposed on personal property of banks that became subject to assessment in 1989 (this amount is currently excluded under a separate statute). Repeals the statute providing that property taxes imposed by a county or municipality to pay supplemental juror fees (above the required amount) are exempt from the levy limits. Changes the date (from July 1 to June 15 of each year) by which a redevelopment commission must determine the amount, if any, of excess assessed value that may be allocated to the respective taxing units. Urges the legislative council to assign to an interim study committee the study of the procedures by which a political subdivision in a county may: (1) transfer the political subdivision's funds to another political subdivision located in the same county; and (2) transfer additional money from the political subdivision's other funds into the political subdivision's rainy day fund or general operating fund.

**ES 321—LS 6892/DI 73**





Reprinted  
March 1, 2016

Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 321

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

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

- 1 SECTION 1. IC 6-1.1-2-10, AS ADDED BY P.L.220-2011,  
2 SECTION 118, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) Any action taken by the  
4 department of local government finance before November 21, 2007, to  
5 do any of the following with respect to property taxes first due and  
6 payable in 2007 in any county is legalized and validated:  
7 (1) Halt billing and collection.  
8 (2) Invalidate the certification under ~~IC 6-1.1-17-16(f)~~  
9 **IC 6-1.1-17-16(i)** of the department's actions concerning budgets,  
10 rates, and levies.  
11 (3) Revise and reissue certifications referred to in subdivision (2).  
12 (4) Require the preparation and delivery under IC 6-1.1-22-5 of  
13 an abstract that is based on the assessed values determined in a  
14 reassessment:  
15 (A) performed by; or

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- 1 (B) ordered by;  
 2 the department of local government finance under IC 6-1.1-4 or  
 3 IC 6-1.1-14.  
 4 (5) Allow payments of installments on dates and in amounts  
 5 different from the dates and amounts that applied in an earlier  
 6 issuance of tax statements by the county.  
 7 (6) Allow the issuance of reconciling property tax statements to  
 8 reconcile the payment of different amounts referred to in  
 9 subdivision (5) as compared to the amounts finally determined to  
 10 be due and payable.  
 11 (7) Waive all or part of a penalty under IC 6-1.1-37-10.  
 12 (b) The department of local government finance may take any action  
 13 listed in subsection (a) on or after November 21, 2007, with respect to  
 14 property taxes first due and payable in 2007 in any county.  
 15 (c) Any action taken before November 21, 2007, by a unit of local  
 16 government or a public official on behalf of a unit of local government  
 17 that:  
 18 (1) is in response to; and  
 19 (2) is consistent with;  
 20 an action of the department of local government finance referred to in  
 21 subsection (a) is legalized and validated.  
 22 (d) A unit of local government or a public official on behalf of a unit  
 23 of local government may take any action on or after November 21,  
 24 2007, that:  
 25 (1) is in response to; and  
 26 (2) is consistent with;  
 27 an action of the department of local government finance referred to in  
 28 subsection (a) or (b).  
 29 SECTION 2. IC 6-1.1-14-12, AS ADDED BY P.L.257-2013,  
 30 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2016]: Sec. 12. (a) As part of the review under  
 32 IC 6-1.1-33.5-3(4) and IC 6-1.1-33.5-3(5) of the coefficient of  
 33 dispersion study and property sales assessment ratio study submitted  
 34 by a county under 50 IAC 27-4-4, the department of local government  
 35 finance shall conduct the review and analysis described in this section.  
 36 **In 2017 and in each year thereafter, a county shall submit the**  
 37 **coefficient of dispersion study and property sales assessment ratio**  
 38 **study to the department not later than March 1 of the year.**  
 39 (b) The department shall:  
 40 (1) conduct its review and analysis for studies submitted in 2013  
 41 through 2017; and  
 42 (2) review and analyze only data and studies for property that is



- 1 classified as improved residential property in townships having a  
 2 population of more than one hundred thirty thousand (130,000).
- 3 (c) The department shall separate each township described in  
 4 subsection (b) into four (4) comparable groups of parcels as determined  
 5 by the department. The department shall:
- 6 (1) separately review and analyze for each group of parcels data  
 7 used for the coefficient of dispersion study and the property sales  
 8 assessment ratio study submitted by the county; and
- 9 (2) prepare a coefficient of dispersion study and a property sales  
 10 assessment ratio study for each group of parcels.
- 11 SECTION 3. IC 6-1.1-17-0.5, AS AMENDED BY P.L.137-2012,  
 12 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JULY 1, 2016]: Sec. 0.5. (a) For purposes of this section, "net assessed  
 14 value" means assessed value after the application of deductions,  
 15 exemptions, and abatements.
- 16 (b) The county auditor may exclude and keep separate on the tax  
 17 duplicate for taxes payable in a calendar year the net assessed value of  
 18 tangible property that meets the following conditions:
- 19 (1) The net assessed value of the property is at least nine percent  
 20 (9%) of the net assessed value of all tangible property subject to  
 21 taxation by a taxing district.
- 22 (2) The property is or has been part of a bankruptcy estate that is  
 23 subject to protection under the federal bankruptcy code.
- 24 (3) The owner of the property has discontinued all business  
 25 operations on the property.
- 26 (4) There is a high probability that the taxpayer will not pay  
 27 property taxes due on the property in the following year.
- 28 (c) This section does not limit, restrict, or reduce in any way the  
 29 property tax liability on the property.
- 30 (d) For each taxing district located in the county, the county auditor  
 31 may reduce for a calendar year the taxing district's net assessed value  
 32 that is certified to the department of local government finance under  
 33 section 1 of this chapter and used to set tax rates for the taxing district  
 34 for taxes first due and payable in the immediately succeeding calendar  
 35 year. The county auditor may reduce a taxing district's net assessed  
 36 value under this subsection only to enable the taxing district to absorb  
 37 the effects of reduced property tax collections in the immediately  
 38 succeeding calendar year that are expected to result from any or a  
 39 combination of the following:
- 40 (1) Successful appeals of the assessed value of property located  
 41 in the taxing district.
- 42 (2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that



1 result from the granting of applications for the standard deduction  
 2 for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after  
 3 the county auditor certifies net assessed value as described in this  
 4 section.

5 (3) Deductions that result from the granting of applications for  
 6 deductions for the calendar year under IC 6-1.1-12-44 after the  
 7 county auditor certifies net assessed value as described in this  
 8 section.

9 (4) Reassessments of real property under IC 6-1.1-4-11.5.

10 Not later than ~~December~~ **July** 31 of each year, the county auditor shall  
 11 send a certified statement, under the seal of the board of county  
 12 commissioners, to the fiscal officer of each political subdivision of the  
 13 county and to the department of local government finance. The  
 14 certified statement must list any adjustments to the amount of the  
 15 reduction under this subsection and the information submitted under  
 16 section 1 of this chapter that are necessary. The county auditor shall  
 17 keep separately on the tax duplicate the amount of any reductions made  
 18 under this subsection. The maximum amount of the reduction  
 19 authorized under this subsection is determined under subsection (e).

20 (e) The amount of the reduction in a taxing district's net assessed  
 21 value for a calendar year under subsection (d) may not exceed two  
 22 percent (2%) of the net assessed value of tangible property subject to  
 23 assessment in the taxing district in that calendar year.

24 (f) The amount of a reduction under subsection (d) may not be  
 25 offered in a proceeding before the:

- 26 (1) county property tax assessment board of appeals;
- 27 (2) Indiana board; or
- 28 (3) Indiana tax court;

29 as evidence that a particular parcel has been improperly assessed.

30 SECTION 4. IC 6-1.1-17-0.7 IS ADDED TO THE INDIANA  
 31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 32 [EFFECTIVE JULY 1, 2016]: **Sec. 0.7. (a) Before May 1 of each year**  
 33 **after 2017, the fiscal officer of each political subdivision shall**  
 34 **provide the department of local government finance with an**  
 35 **estimate of the total amount of the political subdivision's debt**  
 36 **service obligations (as defined in IC 6-1.1-20.6-9.8) that will be due**  
 37 **in the last six (6) months of the current year and in the ensuing**  
 38 **year.**

39 (b) **Before July 15 of each year after 2017, the department of**  
 40 **local government finance shall provide the following to each**  
 41 **political subdivision:**

- 42 (1) **An estimate of the maximum property tax rate that may**





1           **be imposed by the political subdivision for property taxes**  
 2           **payable in the ensuing year for each cumulative fund or other**  
 3           **fund for which a maximum property tax rate is established by**  
 4           **law.**

5           **(2) An estimate of the property tax rates that would be**  
 6           **imposed by the political subdivision for property taxes**  
 7           **payable in the ensuing year for debt service.**

8           **(c) The department of local government finance shall before**  
 9           **August 1 of each year after 2017 provide to each political**  
 10          **subdivision an estimate of the maximum amount of net property**  
 11          **tax revenue and miscellaneous revenue that the political**  
 12          **subdivision will receive in the ensuing year if the political**  
 13          **subdivision's property tax rates are imposed at the maximum**  
 14          **allowed under law and if the political subdivision imposes the**  
 15          **maximum permissible ad valorem property tax levy allowed under**  
 16          **law for the political subdivision. In making each of the estimates**  
 17          **under this subsection, the department of local government finance**  
 18          **shall consider the estimated amount of any credits that will be**  
 19          **granted under IC 6-1.1-20.6 against property taxes imposed by the**  
 20          **political subdivision.**

21          SECTION 5. IC 6-1.1-17-1, AS AMENDED BY P.L.137-2012,  
 22          SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23          JULY 1, 2016]: Sec. 1. (a) On or before August 1 of each year, the  
 24          county auditor shall ~~send~~ **submit** a certified statement ~~under the seal of~~  
 25          the board of county commissioners; ~~of the assessed value for the~~  
 26          **ensuing year** to the fiscal officer of each political subdivision of the  
 27          county and the department of local government finance ~~The statement~~  
 28          **must contain:**

29               (1) information concerning the assessed valuation in the political  
 30               subdivision for the next calendar year;

31               (2) an estimate of the taxes to be distributed to the political  
 32               subdivision during the last six (6) months of the current calendar  
 33               year;

34               (3) the current assessed valuation as shown on the abstract of  
 35               charges;

36               (4) the average growth in assessed valuation in the political  
 37               subdivision over the preceding three (3) budget years; adjusted  
 38               according to procedures established by the department of local  
 39               government finance to account for reassessment under  
 40               IC 6-1.1-4-4 or IC 6-1.1-4-4.2;

41               (5) the amount of the political subdivision's net assessed valuation  
 42               reduction determined under section 0.5(d) of this chapter;



1           (6) for counties with taxing units that cross into or intersect with  
 2           other counties; the assessed valuation as shown on the most  
 3           current abstract of property; and  
 4           (7) any other information at the disposal of the county auditor that  
 5           might affect the assessed value used in the budget adoption  
 6           process.

7           **in the manner prescribed by the department.**

8           (b) The estimate of taxes to be distributed shall be based on:

9           (1) the abstract of taxes levied and collectible for the current  
 10           calendar year, less any taxes previously distributed for the  
 11           calendar year; and

12           (2) any other information at the disposal of the county auditor  
 13           which might affect the estimate.

14           (c) ~~(b)~~ The fiscal officer of each political subdivision shall present  
 15           the county auditor's statement to the proper officers of the political  
 16           subdivision. **department of local government finance shall make the**  
 17           **certified statement available on the department's computer**  
 18           **gateway.**

19           ~~(d)~~ (c) Subject to subsection ~~(e)~~; (d), after the county auditor ~~sends~~  
 20           **submits** a certified statement under subsection (a) or an amended  
 21           certified statement under this subsection with respect to a political  
 22           subdivision and before the department of local government finance  
 23           certifies its action with respect to the political subdivision under  
 24           section ~~16(f)~~ **16(i)** of this chapter, the county auditor may amend the  
 25           information concerning assessed valuation included in the earlier  
 26           certified statement. The county auditor shall ~~send~~ **submit** a certified  
 27           statement amended under this subsection ~~under the seal of the board of~~  
 28           ~~county commissioners~~; to

29           (1) the fiscal officer of each political subdivision affected by the  
 30           amendment; and

31           (2) the department of local government finance **in the manner**  
 32           **prescribed by the department.**

33           ~~(e)~~ (d) Except as provided in subsection ~~(f)~~; (e), before the county  
 34           auditor makes an amendment under subsection ~~(d)~~; (c), the county  
 35           auditor must provide an opportunity for public comment on the  
 36           proposed amendment at a public hearing. The county auditor must give  
 37           notice of the hearing under IC 5-3-1. If the county auditor makes the  
 38           amendment as a result of information provided to the county auditor by  
 39           an assessor, the county auditor shall give notice of the public hearing  
 40           to the assessor.

41           ~~(f)~~ (e) The county auditor is not required to hold a public hearing  
 42           under subsection ~~(e)~~ (d) if:



1 (1) the amendment under subsection ~~(d)~~ (c) is proposed to correct  
 2 a mathematical error made in the determination of the amount of  
 3 assessed valuation included in the earlier certified statement;

4 (2) the amendment under subsection ~~(d)~~ (c) is proposed to add to  
 5 the amount of assessed valuation included in the earlier certified  
 6 statement assessed valuation of omitted property discovered after  
 7 the county auditor sent the earlier certified statement; or

8 (3) the county auditor determines that the amendment under  
 9 subsection ~~(d)~~ (c) will not result in an increase in the tax rate or  
 10 tax rates of the political subdivision.

11 **(f) Beginning in 2018, each county auditor shall submit to the**  
 12 **department of local government finance parcel level data of**  
 13 **certified net assessed values as required by the department. A**  
 14 **county auditor shall submit the parcel level data in the manner and**  
 15 **format required by the department and according to a schedule**  
 16 **determined by the department.**

17 SECTION 6. IC 6-1.1-17-3, AS AMENDED BY P.L.183-2014,  
 18 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2016]: Sec. 3. (a) The proper officers of a political subdivision  
 20 shall formulate its estimated budget and its proposed tax rate and tax  
 21 levy on the form prescribed by the department of local government  
 22 finance and approved by the state board of accounts. **In formulating**  
 23 **a political subdivision's estimated budget under this section, the**  
 24 **proper officers of the political subdivision must consider the net**  
 25 **property tax revenue that will be collected by the political**  
 26 **subdivision during the ensuing year, after taking into account the**  
 27 **estimate by the department of local government finance under**  
 28 **IC 6-1.1-20.6-11.1 of the amount by which the political**  
 29 **subdivision's distribution of property taxes will be reduced by**  
 30 **credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking**  
 31 **into account the estimate by the department of local government**  
 32 **finance under section 0.7 of this chapter of the maximum amount**  
 33 **of net property tax revenue and miscellaneous revenue that the**  
 34 **political subdivision will receive in the ensuing year.** The political  
 35 subdivision or appropriate fiscal body, if the political subdivision is  
 36 subject to section 20 of this chapter, shall ~~(before January 1, 2015)~~ at  
 37 least ten ~~(10)~~ days before the public hearing, ~~give notice to taxpayers~~  
 38 ~~of~~ **submit the following information to the department's computer**  
 39 **gateway:**

40 (1) The estimated budget.

41 (2) The estimated maximum permissible levy, **as provided by the**  
 42 **department under IC 6-1.1-18.5-24.**



1 (3) The current and proposed tax levies of each fund.

2 (4) **The amount by which the political subdivision's**  
 3 **distribution of property taxes may be reduced by credits**  
 4 **granted under IC 6-1.1-20.6, as estimated by the department**  
 5 **of local government finance under IC 6-1.1-20.6-11. and**

6 ~~(4)~~ (5) The amounts of excessive levy appeals to be requested.

7 (6) ~~The political subdivision or appropriate fiscal body shall also~~  
 8 ~~state the time and place at which the political subdivision or~~  
 9 ~~appropriate fiscal body will hold a public hearing on these the~~  
 10 ~~items described in subdivisions (1) through (5).~~

11 The political subdivision or appropriate fiscal body shall (before  
 12 January 1, 2015) publish the notice twice in accordance with IC 5-3-1  
 13 with the first publication at least ten (10) days before the date fixed for  
 14 the public hearing. The first publication must be before September 14;  
 15 and the second publication must be before September 21 of the year.  
 16 The political subdivision shall pay for the publishing of the notice. The  
 17 political subdivision **or appropriate fiscal body** shall submit this  
 18 information to the department's computer gateway before September 14  
 19 of each year and at least ten (10) days before the public hearing  
 20 required by this subsection in the manner prescribed by the department.  
 21 The department shall make this information available to taxpayers, at  
 22 least ten (10) days before the public hearing, through its computer  
 23 gateway and provide a telephone number through which taxpayers may  
 24 request mailed copies of a political subdivision's information under this  
 25 subsection. The department's computer gateway must allow a taxpayer  
 26 to search for the information under this subsection by the taxpayer's  
 27 address. The department shall review only the submission to the  
 28 department's computer gateway for compliance with this section.

29 (b) For taxes due and payable in 2015 and 2016, each county shall  
 30 publish a notice in accordance with IC 5-3-1 in two (2) newspapers  
 31 published in the county stating the Internet address at which the  
 32 information under subsection (a) is available and the telephone number  
 33 through which taxpayers may request copies of a political subdivision's  
 34 information under subsection (a). If only one (1) newspaper is  
 35 published in the county, publication in that newspaper is sufficient. The  
 36 department of local government finance shall prescribe the notice.  
 37 Notice under this subsection shall be published before September 14.  
 38 Counties may seek reimbursement from the political subdivisions  
 39 within their legal boundaries for the cost of the notice required under  
 40 this subsection. The actions under this subsection shall be completed  
 41 in the manner prescribed by the department.

42 (c) (b) The board of directors of a solid waste management district



1 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may  
2 conduct the public hearing required under subsection (a):

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

6 ~~(d)~~ (c) The trustee of each township in the county shall estimate the  
7 amount necessary to meet the cost of township assistance in the  
8 township for the ensuing calendar year. The township board shall adopt  
9 with the township budget a tax rate sufficient to meet the estimated cost  
10 of township assistance. The taxes collected as a result of the tax rate  
11 adopted under this subsection are credited to the township assistance  
12 fund.

13 ~~(e)~~ (d) A political subdivision for which any of the information  
14 under subsection (a) is not ~~(before January 1, 2015)~~ published and is  
15 not submitted to the department's computer gateway in the manner  
16 prescribed by the department shall have its most recent annual  
17 appropriations and annual tax levy continued for the ensuing budget  
18 year.

19 ~~(f)~~ (e) If a political subdivision or appropriate fiscal body ~~timely~~  
20 ~~publishes (before January 1, 2015)~~ and timely submits the information  
21 under subsection (a) but subsequently discovers the information  
22 contains a ~~typographical~~ **an** error, the political subdivision or  
23 appropriate fiscal body may ~~request permission from the department to~~  
24 submit amended information to the department's computer gateway.  
25 ~~and (before January 1, 2015) to publish the amended information.~~  
26 However, such a ~~request~~ **submission of amended information** must  
27 occur ~~not later than seven (7)~~ **at least ten (10)** days before the public  
28 hearing held under subsection (a). ~~Acknowledgment of the correction~~  
29 ~~of an error shall be posted on the department's computer gateway and~~  
30 ~~communicated by the political subdivision or appropriate fiscal body~~  
31 ~~to the fiscal body of the county in which the political subdivision and~~  
32 ~~appropriate fiscal body are located.~~

33 SECTION 7. IC 6-1.1-17-3.5 IS REPEALED [EFFECTIVE JULY  
34 1, 2016]. Sec. 3-5: (a) This section does not apply to taxing units  
35 located in a county in which a county board of tax adjustment reviews  
36 budgets, tax rates, and tax levies. This section does not apply to a  
37 taxing unit that has its proposed budget and proposed property tax levy  
38 approved under section 20 or 20.3 of this chapter or IC 36-3-6-9.

39 (b) This section applies to a taxing unit other than a county. Except  
40 as provided in section 3-7 of this chapter, if a taxing unit will impose  
41 property taxes due and payable in the ensuing calendar year, the taxing  
42 unit shall file the following information in the manner prescribed by the



1 department of local government finance with the fiscal body of the  
2 county in which the taxing unit is located:

3 (1) A statement of the proposed or estimated tax rate and tax levy  
4 for the taxing unit for the ensuing budget year.

5 (2) In the case of a taxing unit other than a school corporation, a  
6 copy of the taxing unit's proposed budget for the ensuing budget  
7 year.

8 (c) In the case of a taxing unit located in more than one (1) county,  
9 the taxing unit shall file the information under subsection (b) with the  
10 fiscal body of the county in which the greatest part of the taxing unit's  
11 net assessed valuation is located.

12 (d) A taxing unit must file the information under subsection (b)  
13 before September 2 of a year.

14 (e) A county fiscal body shall complete the following in a manner  
15 prescribed by the department of local government finance before  
16 October 2 of a year:

17 (1) Review any proposed or estimated tax rate or tax levy filed by  
18 a taxing unit with the county fiscal body under this section.

19 (2) In the case of a taxing unit other than a school corporation,  
20 review any proposed or estimated budget filed by a taxing unit  
21 with the county fiscal body under this section.

22 (3) In the case of a taxing unit other than a school corporation,  
23 issue a nonbinding recommendation to a taxing unit regarding the  
24 taxing unit's proposed or estimated tax rate or tax levy or  
25 proposed budget.

26 (f) The recommendation under subsection (e) must include a  
27 comparison of any increase in the taxing unit's budget or tax levy to:

28 (1) the average increase in Indiana nonfarm personal income for  
29 the preceding six (6) calendar years and the average increase in  
30 nonfarm personal income for the county for the preceding six (6)  
31 calendar years; and

32 (2) increases in the budgets and tax levies of other taxing units in  
33 the county.

34 (g) The department of local government finance must provide each  
35 county fiscal body with the most recent available information  
36 concerning increases in Indiana nonfarm personal income and  
37 increases in county nonfarm personal income.

38 (h) If a taxing unit fails to file the information required by  
39 subsection (b) with the fiscal body of the county in which the taxing  
40 unit is located by the time prescribed in subsection (d), the most recent  
41 annual appropriations and annual tax levy of that taxing unit are  
42 continued for the ensuing budget year.



1 (i) If a county fiscal body fails to complete the requirements of  
 2 subsection (c) before the deadline in subsection (c) for any taxing unit  
 3 subject to this section, the most recent annual appropriations and  
 4 annual tax levy of the county are continued for the ensuing budget year.

5 SECTION 8. IC 6-1.1-17-3.6 IS ADDED TO THE INDIANA  
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2016]: **Sec. 3.6. (a) At the first meeting of the**  
 8 **county fiscal body in August, the county fiscal body shall review**  
 9 **the following:**

10 (1) The estimated levy limits provided by the department of  
 11 local government finance under IC 6-1.1-18.5-24.

12 (2) The estimate provided by the department of local  
 13 government finance under IC 6-1.1-20.6-11.1 of how each  
 14 taxing unit's distribution of property taxes will be reduced by  
 15 credits under IC 6-1.1-20.6.

16 (b) The county fiscal body may request that representatives  
 17 from the taxing units located within the county attend the meeting  
 18 described in subsection (a).

19 (c) The county fiscal body must allow a representative of a  
 20 taxing unit that attends the meeting described in subsection (a) to  
 21 comment on the taxing unit's proposed budgets, tax levies, and tax  
 22 rates for the ensuing calendar year.

23 (d) After the county fiscal body has held the meeting required  
 24 by this section, the county fiscal body may prepare and distribute  
 25 a written recommendation for taxing units in the county. If the  
 26 county fiscal body does not prepare a written recommendation, the  
 27 minutes of the meeting held under this section shall be distributed  
 28 by the county auditor to all taxing units in the county after the  
 29 minutes have been approved by the county fiscal body.

30 SECTION 9. IC 6-1.1-17-3.7 IS REPEALED [EFFECTIVE JULY  
 31 1, 2016]. **Sec. 3.7: (a) This section authorizes a three (3) year pilot**  
 32 **program to allow county fiscal bodies of designated counties to carry**  
 33 **out a more thorough nonbinding review of the proposed budgets,**  
 34 **property tax rates, and property tax levies of all taxing units in those**  
 35 **counties. The general assembly finds that, because of the enactment of**  
 36 **property tax credits under IC 6-1.1-20.6, there is an even greater need**  
 37 **for taxing units to cooperate in the adoption of their budgets, property**  
 38 **tax rates, and property tax levies.**

39 (b) The department of local government finance may establish a  
 40 pilot program concerning nonbinding review of budgets, property tax  
 41 rates, and property tax levies as provided in this section. The role of the  
 42 department of local government finance in the pilot program is to



1 develop the framework for the continuation of a more thorough  
 2 nonbinding review in all counties without the direct involvement of the  
 3 department of local government finance:

4 (c) For a county to be eligible for designation as a pilot county  
 5 participating in the pilot program:

6 (1) the county fiscal body must adopt a resolution approving the  
 7 submission of an application to be designated as a pilot county;  
 8 and

9 (2) the county fiscal body must submit to the department of local  
 10 government finance before the date specified by the department:

11 (A) an application in the form and containing the information  
 12 prescribed by the department; and

13 (B) a copy of the resolution adopted under subdivision (1).

14 (d) After reviewing applications submitted under subsection (c); the  
 15 department of local government finance may designate not more than  
 16 three (3) counties that submit an application under subsection (c) as  
 17 pilot counties under this section. In determining which counties are  
 18 designated as pilot counties, the department of local government  
 19 finance shall attempt to achieve diversity among designated counties  
 20 based on:

21 (1) the geographical location of the counties;

22 (2) the population of the counties; and

23 (3) whether the counties are primarily rural or urban.

24 (e) The department of local government finance shall notify each  
 25 taxing unit in a pilot county of:

26 (1) the designation of the county as a pilot county; and

27 (2) the duties of the taxing unit under this section.

28 (f) The following apply in 2014 and thereafter:

29 (1) Each taxing unit in a pilot county shall, before September 2 of  
 30 each year, file with the department of local government finance  
 31 and with the county fiscal body:

32 (A) the taxing unit's proposed budgets, property tax rates, and  
 33 property tax levies for the following calendar year;

34 (B) a statement of whether:

35 (i) a petition and remonstrance process has been initiated  
 36 under IC 6-1.1-20 concerning a controlled project of the  
 37 taxing unit;

38 (ii) a public question under IC 6-1.1-20 concerning a  
 39 controlled project of the taxing unit has been certified and  
 40 will be on the election ballot;

41 (iii) a referendum tax levy question under IC 20-46-1 has  
 42 been certified and will be on the election ballot; or





1 (iv) the taxing unit anticipates that it will during the  
 2 following eighteen (18) months either adopt a resolution or  
 3 ordinance under IC 6-1.1-20 making a preliminary  
 4 determination to issue bonds or enter into a lease concerning  
 5 a controlled project of the taxing unit; or adopt a resolution  
 6 under IC 20-46-1 to place a referendum tax levy question on  
 7 the election ballot; and  
 8 (E) any additional information required by the department to  
 9 prepare the analysis required under subdivision (4).  
 10 A school corporation providing information to the department of  
 11 local government finance shall provide the information through  
 12 the department's interactive and searchable Internet web site  
 13 containing local government information (the Indiana gateway for  
 14 governmental units). When formulating the taxing unit's estimated  
 15 budget, property tax rate, and property tax levy under section 3 of  
 16 this chapter, the proper officers of the taxing unit shall consider  
 17 the estimated consequences of the property tax credits under  
 18 IC 6-1.1-20.6 on the property taxes that will be collected by the  
 19 taxing unit and the calculation of fund balances.  
 20 (2) A taxing unit in a pilot county that would otherwise be  
 21 required to submit its proposed budgets, property tax rates, and  
 22 property tax levies for nonbinding review under section 3.5 of this  
 23 chapter is not required to do so, but the taxing unit must instead  
 24 submit the information required by subdivision (1) to the  
 25 department of local government finance.  
 26 (3) A taxing unit that is located in a pilot county and that is  
 27 subject to binding review and approval of the taxing unit's  
 28 budgets, property tax rates, and property tax levies under section  
 29 20 of this chapter or IC 36-3-6-9:  
 30 (A) remains subject to binding review and approval under  
 31 those statutes and must submit the information required under  
 32 those statutes to the appropriate fiscal body; and  
 33 (B) must also submit the information required by subdivision  
 34 (1) to the department of local government finance.  
 35 (4) The department shall prepare an analysis of the proposed  
 36 budgets, property tax rates, and property tax levies submitted by  
 37 taxing units in each pilot county. The department of local  
 38 government finance may establish appropriate procedures and  
 39 conduct the appropriate analysis that meets the department's  
 40 requirements for the review of a unit's budget under this chapter.  
 41 The analysis prepared by the department must include at least the  
 42 following:



- 1 (A) The estimated total property tax rate for each taxing  
 2 district in the pilot county.  
 3 (B) The estimated total amount of property taxes to be levied  
 4 in the pilot county.  
 5 (C) The estimated consequences of the property tax credits  
 6 under IC 6-1.1-20.6 on:  
 7 (i) the property tax rates of each taxing unit and taxing  
 8 district in the pilot county;  
 9 (ii) the expected total tax rate of each taxing district in the  
 10 county; and  
 11 (iii) the property taxes that will be collected by each taxing  
 12 unit in the pilot county.  
 13 (5) The department of local government finance shall, before  
 14 October 2 of each year, provide the analysis prepared under  
 15 subdivision (4) for a pilot county to the county fiscal body of the  
 16 pilot county and to the fiscal body of each taxing unit in the pilot  
 17 county. Upon request by the county fiscal body, representatives  
 18 of the department of local government finance shall appear before  
 19 the county fiscal body to review the analysis.  
 20 (6) The county fiscal body of a pilot county shall, on or before  
 21 October 15 of each year:  
 22 (A) review the proposed budgets, property tax rates, and  
 23 property tax levies of each taxing unit in the pilot county;  
 24 (B) review the expected total tax rate of each taxing district in  
 25 the county; and  
 26 (C) issue a nonbinding recommendation to each taxing unit in  
 27 the pilot county regarding the taxing unit's proposed budgets,  
 28 property tax rates, and property tax levies.  
 29 The review and recommendation required to be carried out under  
 30 this subdivision may be carried out by the full county fiscal body  
 31 or by a committee appointed by the county fiscal body for that  
 32 purpose.  
 33 (7) A recommendation by a county fiscal body must include a  
 34 comparison of any increase in a taxing unit's budgets, property tax  
 35 rates, and property tax levies to:  
 36 (A) the average increase in Indiana nonfarm personal income  
 37 for the preceding six (6) calendar years and the average  
 38 increase in nonfarm personal income for the county for the  
 39 preceding six (6) calendar years; and  
 40 (B) increases in the budgets, property tax rates, and property  
 41 tax levies of other taxing units in the county.  
 42 (8) After review under this section, a taxing unit must adopt its



- 1 budget, property tax rates, and property tax levies by the date  
 2 required under section 5 of this chapter.
- 3 (g) The county fiscal body of a pilot county may, before July 1 of a  
 4 year, adopt a resolution discontinuing the county's participation in the  
 5 pilot program. If a county fiscal body adopts such a resolution:
- 6 (1) the county fiscal body shall certify a copy of the resolution to  
 7 the department of local government finance;
- 8 (2) the county's participation in the pilot program is terminated;  
 9 and
- 10 (3) the department of local government finance shall attempt to  
 11 replace the pilot county with another county that has applied to be  
 12 designated as a pilot county.
- 13 (h) The department of local government finance shall, before  
 14 November 1, 2014, and each year thereafter, report to the interim study  
 15 committee on fiscal policy established by IC 2-5-1.3-4 in an electronic  
 16 format under IC 5-14-6 concerning the pilot program and whether the  
 17 nonbinding review under the pilot program is fostering cooperation  
 18 among taxing units in the adoption of their budgets, property tax rates,  
 19 and property tax levies.
- 20 (i) This section expires January 1, 2017.
- 21 SECTION 10. IC 6-1.1-17-5.6, AS AMENDED BY P.L.233-2015,  
 22 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2016]: Sec. 5.6. (a) Each school corporation may elect to  
 24 adopt a budget under this section that applies from July 1 of the year  
 25 through June 30 of the following year. In the initial budget adopted by  
 26 a school corporation under this section, the first six (6) months of that  
 27 initial budget must be consistent with the last six (6) months of the  
 28 budget adopted by the school corporation for the calendar year in  
 29 which the school corporation elects by resolution to begin adopting  
 30 budgets that correspond to the state fiscal year. A corporation shall  
 31 submit a copy of the resolution to the department of local government  
 32 finance and the department of education not more than thirty (30) days  
 33 after the date the governing body adopts the resolution.
- 34 (b) Before April 1 of each year, the officers of the school  
 35 corporation shall meet to fix the budget for the school corporation for  
 36 the ensuing budget year, with notice given by the same officers.  
 37 However, if a resolution adopted under subsection (d) is in effect, the  
 38 officers shall meet to fix the budget for the ensuing budget year before  
 39 November 1.
- 40 (c) Each year, at least two (2) days before the first meeting of the  
 41 county board of tax adjustment held under IC 6-1.1-29-4, the school  
 42 corporation shall file with the county auditor:



1 (1) a statement of the tax rate and tax levy fixed by the school  
2 corporation for the ensuing budget year;

3 (2) two (2) copies of the budget adopted by the school corporation  
4 for the ensuing budget year; and

5 (3) any written notification from the department of local  
6 government finance under section ~~16(i)~~ **16(l)** of this chapter that  
7 specifies a proposed revision, reduction, or increase in the budget  
8 adopted by the school corporation for the ensuing budget year.

9 Each year the county auditor shall present these items to the county  
10 board of tax adjustment at the board's first meeting under  
11 IC 6-1.1-29-4.

12 (d) The governing body of the school corporation may adopt a  
13 resolution to cease using a school year budget year and return to using  
14 a calendar year budget year. A resolution adopted under this subsection  
15 must be adopted after January 1 and before July 1. The school  
16 corporation's initial calendar year budget year following the adoption  
17 of a resolution under this subsection begins on January 1 of the year  
18 following the year the resolution is adopted. The first six (6) months of  
19 the initial calendar year budget for the school corporation must be  
20 consistent with the last six (6) months of the final school year budget  
21 fixed by the department of local government finance before the  
22 adoption of a resolution under this subsection.

23 (e) A resolution adopted under subsection (d) may be rescinded by  
24 a subsequent resolution adopted by the governing body. If the  
25 governing body of the school corporation rescinds a resolution adopted  
26 under subsection (d) and returns to a school year budget year, the  
27 school corporation's initial school year budget year begins on July 1  
28 following the adoption of the rescinding resolution and ends on June  
29 30 of the following year. The first six (6) months of the initial school  
30 year budget for the school corporation must be consistent with the last  
31 six (6) months of the last calendar year budget fixed by the department  
32 of local government finance before the adoption of a rescinding  
33 resolution under this subsection.

34 SECTION 11. IC 6-1.1-17-16, AS AMENDED BY P.L.183-2014,  
35 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
36 JULY 1, 2016]: Sec. 16. (a) ~~Subject to the limitations and requirements~~  
37 ~~prescribed in this section; the department of local government finance~~  
38 ~~may revise, reduce, or increase a political subdivision's budget by fund;~~  
39 ~~tax rate, or tax levy which the department reviews under section 8 or~~  
40 ~~10 of this chapter. The department of local government finance shall~~  
41 ~~certify the tax rates and tax levies for all funds of political~~  
42 ~~subdivisions subject to the department of local government~~



1 **finance's review.**

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

8 (b) For a fund of a political subdivision subject to levy limits  
9 under IC 6-1.1-18.5-3, the department of local government finance  
10 shall calculate and certify the allowable budget of the fund if the  
11 political subdivision adopts a tax levy that exceeds the estimated  
12 maximum levy limits as provided by the department of local  
13 government finance under IC 6-1.1-18.5-24.

14 (c) For a fund of a political subdivision subject to levy limits  
15 under IC 6-1.1-18.5-3 and for which the political subdivision  
16 adopts a tax levy that is not more than the levy limits under  
17 IC 6-1.1-18.5-3, the department of local government finance shall  
18 review the fund to ensure the adopted budget is fundable based on  
19 the unit's adopted tax levy and estimates of available revenues. If  
20 the adopted budget is fundable, the department of local  
21 government finance shall use the adopted budget as the approved  
22 appropriation for the fund for the budget year. As needed, the  
23 political subdivision may complete the additional appropriation  
24 process through IC 6-1.1-18-5 for these funds during the budget  
25 year.

26 (d) For a fund of the political subdivision subject to levy limits  
27 under IC 6-1.1-18.5-3 and for which the political subdivision  
28 adopts a tax levy that is not more than the levy limits under  
29 IC 6-1.1-18.5-3, if the department of local government finance has  
30 determined the adopted budget is not fundable based on the unit's  
31 adopted tax levy and estimates of available revenues, the  
32 department of local government finance shall calculate and certify  
33 the allowable budget that is fundable based on the adopted tax levy  
34 and the department's estimates of available revenues.

35 (e) For all other funds of a political subdivision not described in  
36 subsections (b), (c), and (d), the department of local government  
37 finance shall certify a budget for the fund.

38 (f) Except as provided in section 16.1 of this chapter, the  
39 department of local government finance is not required to hold a public  
40 hearing before the department of local government finance reviews,  
41 revises, reduces, or increases a political subdivision's budget by fund,  
42 tax rate, or tax levy under this section.



1           ~~(d)~~ **(g)** Except as provided in subsection ~~(f)~~; **(l)**, IC 20-46, or  
 2 IC 6-1.1-18.5, the department of local government finance may not  
 3 increase a political subdivision's budget by fund, tax rate, or tax levy to  
 4 an amount which exceeds the amount originally fixed by the political  
 5 subdivision. However, if the department of local government finance  
 6 determines that IC 5-3-1-2.3(b) (before its expiration) applies to the tax  
 7 rate, tax levy, or budget of the political subdivision, the maximum  
 8 amount by which the department may increase the tax rate, tax levy, or  
 9 budget is the amount originally fixed by the political subdivision, and  
 10 not the amount that was incorrectly published or omitted in the notice  
 11 described in IC 5-3-1-2.3(b) (before its expiration). The department of  
 12 local government finance shall give the political subdivision  
 13 notification electronically in the manner prescribed by the department  
 14 of local government finance specifying any revision, reduction, or  
 15 increase the department proposes in a political subdivision's tax levy  
 16 or tax rate. The political subdivision has ten (10) calendar days from  
 17 the date the political subdivision receives the notice to provide a  
 18 response electronically in the manner prescribed by the department of  
 19 local government finance. The response may include budget  
 20 reductions, reallocation of levies, a revision in the amount of  
 21 miscellaneous revenues, and further review of any other item about  
 22 which, in the view of the political subdivision, the department is in  
 23 error. The department of local government finance shall consider the  
 24 adjustments as specified in the political subdivision's response if the  
 25 response is provided as required by this subsection and shall deliver a  
 26 final decision to the political subdivision.

27           ~~(e)~~ **(h)** The department of local government finance may not  
 28 approve a levy for lease payments by a city, town, county, library, or  
 29 school corporation if the lease payments are payable to a building  
 30 corporation for use by the building corporation for debt service on  
 31 bonds and if:

- 32           (1) no bonds of the building corporation are outstanding; or
- 33           (2) the building corporation has enough legally available funds on  
 34           hand to redeem all outstanding bonds payable from the particular  
 35           lease rental levy requested.

36           ~~(f)~~ **(i)** The department of local government finance shall certify its  
 37 action to:

- 38           (1) the county auditor;
- 39           (2) the political subdivision if the department acts pursuant to an  
 40           appeal initiated by the political subdivision;
- 41           (3) the taxpayer that initiated an appeal under section 13 of this  
 42           chapter, or, if the appeal was initiated by multiple taxpayers, the



- 1 first ten (10) taxpayers whose names appear on the statement filed
- 2 to initiate the appeal; and
- 3 (4) a taxpayer that owns property that represents at least ten
- 4 percent (10%) of the taxable assessed valuation in the political
- 5 subdivision.
- 6 ~~(g)~~ **(j)** The following may petition for judicial review of the final
- 7 determination of the department of local government finance under
- 8 subsection ~~(f)~~ **(i)**:
- 9 (1) If the department acts under an appeal initiated by a political
- 10 subdivision, the political subdivision.
- 11 (2) If the department:
- 12 (A) acts under an appeal initiated by one (1) or more taxpayers
- 13 under section 13 of this chapter; or
- 14 (B) fails to act on the appeal before the department certifies its
- 15 action under subsection ~~(f)~~ **(i)**;
- 16 a taxpayer who signed the statement filed to initiate the appeal.
- 17 (3) If the department acts under an appeal initiated by the county
- 18 auditor under section 14 of this chapter, the county auditor.
- 19 (4) A taxpayer that owns property that represents at least ten
- 20 percent (10%) of the taxable assessed valuation in the political
- 21 subdivision.
- 22 The petition must be filed in the tax court not more than forty-five (45)
- 23 days after the department certifies its action under subsection ~~(f)~~ **(i)**.
- 24 ~~(h)~~ **(k)** The department of local government finance is expressly
- 25 directed to complete the duties assigned to it under this section **as**
- 26 **follows:**
- 27 **(1) For each budget year before 2019, not later than February**
- 28 **15 of each that budget year. for taxes to be collected during that**
- 29 **year.**
- 30 **(2) For each budget year after 2018, not later than December**
- 31 **31 of the year preceding that budget year, unless a taxing unit**
- 32 **in a county is issuing debt after December 1 in the year**
- 33 **preceding the budget year or intends to file a shortfall appeal**
- 34 **under IC 6-1.1-18.5-16.**
- 35 **(3) For each budget year after 2018, not later than January 15**
- 36 **of the budget year if a taxing unit in a county is issuing debt**
- 37 **after December 1 in the year preceding the budget year or**
- 38 **intends to file a shortfall appeal under IC 6-1.1-18.5-16.**
- 39 ~~(i)~~ **(l)** Subject to the provisions of all applicable statutes, the
- 40 department of local government finance shall, unless the department
- 41 finds extenuating circumstances, increase a political subdivision's tax
- 42 levy to an amount that exceeds the amount originally advertised or



1 adopted by the political subdivision if:  
 2 (1) the increase is requested in writing by the officers of the  
 3 political subdivision;  
 4 (2) the requested increase is published on the department's  
 5 advertising Internet web site and (before January 1, 2015) is  
 6 published by the political subdivision according to a notice  
 7 provided by the department; and  
 8 (3) notice is given to the county fiscal body of ~~the error and~~ the  
 9 department's correction.  
 10 If the department increases a levy beyond what was advertised or  
 11 adopted under this subsection, it shall, unless the department finds  
 12 extenuating circumstances, reduce the certified levy affected below the  
 13 maximum allowable levy by the lesser of five percent (5%) of the  
 14 difference between the advertised or adopted levy and the increased  
 15 levy, or one hundred thousand dollars (\$100,000).  
 16 ~~(j) The department of local government finance shall annually~~  
 17 ~~review the budget by fund of each school corporation not later than~~  
 18 ~~April 1. The department of local government finance shall give the~~  
 19 ~~school corporation written notification specifying any revision;~~  
 20 ~~reduction; or increase the department proposes in the school~~  
 21 ~~corporation's budget by fund. A public hearing is not required in~~  
 22 ~~connection with this review of the budget.~~  
 23 SECTION 12. IC 6-1.1-17-16.7 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16.7. (a) A political  
 25 subdivision that in any year adopts a proposal to establish a cumulative  
 26 fund or sinking fund under any of the following provisions must submit  
 27 the proposal to the department of local government finance before  
 28 August 2 of that year, **for years before 2018, and before May 1 of**  
 29 **that year, for years after 2017:**  
 30 IC 3-11-6  
 31 IC 8-10-5  
 32 IC 8-16-3  
 33 IC 8-16-3.1  
 34 IC 8-22-3  
 35 IC 14-27-6  
 36 IC 14-33-21  
 37 IC 16-22-5  
 38 IC 16-22-8  
 39 IC 36-8-14  
 40 IC 36-9-4  
 41 IC 36-9-14  
 42 IC 36-9-14.5





- 1 IC 36-9-15  
 2 IC 36-9-15.5  
 3 IC 36-9-16  
 4 IC 36-9-17  
 5 IC 36-9-26  
 6 IC 36-9-27  
 7 IC 36-10-3  
 8 IC 36-10-4  
 9 IC 36-10-7.5
- 10 (b) If a proposal described in subsection (a) is not submitted to the  
 11 department of local government finance before August 2 of a year, **for**  
 12 **years before 2018, and before May 1 of a year, for years after 2017,**  
 13 the political subdivision may not levy a tax for the cumulative fund or  
 14 sinking fund in the ensuing year.
- 15 SECTION 13. IC 6-1.1-18-5, AS AMENDED BY P.L.184-2015,  
 16 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2016]: Sec. 5. (a) If the proper officers of a political  
 18 subdivision desire to appropriate more money for a particular year than  
 19 the amount prescribed in the budget for that year as finally determined  
 20 under this article, they shall give notice of their proposed additional  
 21 appropriation. The notice shall state the time and place at which a  
 22 public hearing will be held on the proposal. The notice shall be given  
 23 once in accordance with IC 5-3-1-2(b).
- 24 (b) If the additional appropriation by the political subdivision is  
 25 made from a fund that receives:
- 26 (1) distributions from the motor vehicle highway account  
 27 established under IC 8-14-1-1 or the local road and street account  
 28 established under IC 8-14-2-4; or  
 29 (2) revenue from property taxes levied under IC 6-1.1;  
 30 the political subdivision must report the additional appropriation to the  
 31 department of local government finance. If the additional appropriation  
 32 is made from a fund described under this subsection, subsections (f),  
 33 (g), (h), and (i) apply to the political subdivision.
- 34 (c) However, if the additional appropriation is not made from a fund  
 35 described under subsection (b), subsections (f), (g), (h), and (i) do not  
 36 apply to the political subdivision. Subsections (f), (g), (h), and (i) do  
 37 not apply to an additional appropriation made from the cumulative  
 38 bridge fund if the appropriation meets the requirements under  
 39 IC 8-16-3-3(c).
- 40 (d) A political subdivision may make an additional appropriation  
 41 without approval of the department of local government finance if the  
 42 additional appropriation is made from a fund that is not described



1 under subsection (b). However, the fiscal officer of the political  
 2 subdivision shall report the additional appropriation to the department  
 3 of local government finance.

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

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

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

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

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

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

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

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

33 (j) This subsection applies to an additional appropriation by a  
 34 political subdivision that must have the political subdivision's annual  
 35 appropriations and annual tax levy adopted by a city, town, or county  
 36 fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or  
 37 fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city,  
 38 town, or county that adopted the political subdivision's annual  
 39 appropriation and annual tax levy must adopt the additional  
 40 appropriation by ordinance before the department of local government  
 41 finance may approve the additional appropriation.

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



1 (1) is required to submit the public library's budgets, tax rates, and  
 2 tax levies for nonbinding review under IC 6-1.1-17-3.5; and  
 3 (2) is not required to submit the public library's budgets, tax rates,  
 4 and tax levies for binding review and approval under  
 5 IC 6-1.1-17-20.

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

15 SECTION 14. IC 6-1.1-18.5-2, AS AMENDED BY P.L.230-2013,  
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JULY 1, 2016]: Sec. 2. (a) As used in this section, "Indiana nonfarm  
 18 personal income" means the estimate of total nonfarm personal income  
 19 for Indiana in a calendar year as computed by the federal Bureau of  
 20 Economic Analysis using any actual data for the calendar year and any  
 21 estimated data determined appropriate by the federal Bureau of  
 22 Economic Analysis.

23 (b) For purposes of determining a civil taxing unit's maximum  
 24 permissible ad valorem property tax levy for an ensuing calendar year,  
 25 the civil taxing unit shall use the assessed value growth quotient  
 26 determined in the last STEP of the following STEPS:

27 STEP ONE: For each of the six (6) calendar years immediately  
 28 preceding the year in which a budget is adopted under  
 29 IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana  
 30 nonfarm personal income for the calendar year by the Indiana  
 31 nonfarm personal income for the calendar year immediately  
 32 preceding that calendar year, rounding to the nearest  
 33 one-thousandth (0.001).

34 STEP TWO: Determine the sum of the STEP ONE results.

35 STEP THREE: Divide the STEP TWO result by six (6), rounding  
 36 to the nearest one-thousandth (0.001).

37 STEP FOUR: Determine the lesser of the following:

38 (A) The STEP THREE quotient.

39 (B) One and six-hundredths (1.06).

40 (c) **The budget agency shall provide the assessed value growth**  
 41 **quotient for the ensuing year to civil taxing units, school**  
 42 **corporations, and the department of local government finance**



1 **before July 1 of each year.**  
 2 SECTION 15. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.13-2013,  
 3 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 4 JULY 1, 2016]: Sec. 9.8. (a) For purposes of determining the property  
 5 tax levy limit imposed on a city, town, or county under section 3 of this  
 6 chapter, the city, town, or county's ad valorem property tax levy for a  
 7 particular calendar year does not include an amount equal to the ~~lesser~~  
 8 ~~of:~~  
 9 (1) ~~the~~ amount of ad valorem property taxes that would be first  
 10 due and payable to the city, town, or county during the ensuing  
 11 calendar year if the taxing unit imposed the maximum permissible  
 12 property tax rate per one hundred dollars (\$100) of assessed  
 13 valuation that the civil taxing unit may impose for the particular  
 14 calendar year under the authority of IC 36-9-14.5 (in the case of  
 15 a county) or IC 36-9-15.5 (in the case of a city or town). ~~or~~  
 16 (2) ~~the excess; if any; of:~~  
 17 (A) ~~the property taxes imposed by the city, town, or county~~  
 18 ~~under the authority of:~~  
 19 ~~IC 3-11-6-9;~~  
 20 ~~IC 8-16-3;~~  
 21 ~~IC 8-16-3.1;~~  
 22 ~~IC 8-22-3-25;~~  
 23 ~~IC 14-27-6-48;~~  
 24 ~~IC 14-33-9-3;~~  
 25 ~~IC 16-22-8-41;~~  
 26 ~~IC 16-22-5-2 through IC 16-22-5-15;~~  
 27 ~~IC 16-23-1-40;~~  
 28 ~~IC 36-8-14;~~  
 29 ~~IC 36-9-4-48;~~  
 30 ~~IC 36-9-14;~~  
 31 ~~IC 36-9-14.5;~~  
 32 ~~IC 36-9-15;~~  
 33 ~~IC 36-9-15.5;~~  
 34 ~~IC 36-9-16;~~  
 35 ~~IC 36-9-16.5;~~  
 36 ~~IC 36-9-17;~~  
 37 ~~IC 36-9-26;~~  
 38 ~~IC 36-9-27-100;~~  
 39 ~~IC 36-10-3-21; or~~  
 40 ~~IC 36-10-4-36;~~  
 41 ~~that are first due and payable during the ensuing calendar year;~~  
 42 ~~over~~



1 (B) the property taxes imposed by the city, town, or county  
 2 under the authority of the citations listed in clause (A) that  
 3 were first due and payable during calendar year 1984.

4 (b) Before July 15 of each year, the department of local  
 5 government finance shall provide to each county, city, and town an  
 6 estimate of the maximum permissible property tax rate per one  
 7 hundred dollars (\$100) of assessed valuation that the county, city,  
 8 or town may impose for the ensuing year under IC 36-9-14.5 (in the  
 9 case of a county) or IC 36-9-15.5 (in the case of a city or town).

10 SECTION 16. IC 6-1.1-18.5-10, AS AMENDED BY P.L. 117-2015,  
 11 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2016]: Sec. 10. (a) The ad valorem property tax levy limits  
 13 imposed by section 3 of this chapter do not apply to ad valorem  
 14 property taxes imposed by a civil taxing unit to be used to fund:

15 (1) community mental health centers under:

16 (A) IC 12-29-2-1.2, for only those civil taxing units that  
 17 authorized financial assistance under IC 12-29-1 before 2002  
 18 for a community mental health center as long as the tax levy  
 19 under this section does not exceed the levy authorized in 2002;

20 (B) IC 12-29-2-2 through IC 12-29-2-5; and

21 (C) IC 12-29-2-13; or

22 (2) community intellectual disability and other developmental  
 23 disabilities centers under IC 12-29-1-1.

24 to the extent that those property taxes are attributable to any increase  
 25 in the assessed value of the civil taxing unit's taxable property caused  
 26 by a general reassessment of real property under IC 6-1.1-4-4 or a  
 27 reassessment of real property under a reassessment plan prepared under  
 28 IC 6-1.1-4-4.2 that took effect after February 28, 1979.

29 (b) For purposes of computing the ad valorem property tax levy  
 30 limits imposed on a civil taxing unit by section 3 of this chapter, the  
 31 civil taxing unit's ad valorem property tax levy for a particular calendar  
 32 year does not include that part of the levy described in subsection (a).

33 (c) This subsection applies to property taxes first due and payable  
 34 after December 31, 2008. Notwithstanding subsections (a) and (b) or  
 35 any other law, any property taxes imposed by a civil taxing unit that are  
 36 exempted by this section from the ad valorem property tax levy limits  
 37 imposed by section 3 of this chapter may not increase annually by a  
 38 percentage greater than the result of:

39 (1) the assessed value growth quotient determined under section  
 40 2 of this chapter; minus

41 (2) one (1).

42 (d) For a county that:



1 (1) did not impose an ad valorem property tax levy in 2008 for the  
 2 county general fund to provide financial assistance under  
 3 IC 12-29-1 (community intellectual disability and other  
 4 developmental disabilities center) or IC 12-29-2 (community  
 5 mental health center); and

6 (2) determines for 2009 or a later calendar year to impose a levy  
 7 as described in subdivision (1);

8 the ad valorem property tax levy limits imposed under section 3 of this  
 9 chapter do not apply to the part of the county's general fund levy that  
 10 is used in the first calendar year for which a determination is made  
 11 under subdivision (2) to provide financial assistance under IC 12-29-1  
 12 or IC 12-29-2. The department of local government finance shall  
 13 review a county's proposed budget that is submitted under IC 12-29-1-1  
 14 or IC 12-29-2-1.2 and make a final determination of the amount to  
 15 which the levy limits do not apply under this subsection for the first  
 16 calendar year for which a determination is made under subdivision (2).

17 (e) The ad valorem property tax levy limits imposed under section  
 18 3 of this chapter do not apply to the county's general fund levy in the  
 19 amount determined by the department of local government finance  
 20 under subsection (d) in each calendar year following the calendar year  
 21 for which the determination under subsection (b) is made.

22 (d) Before July 15 of each year, the department of local  
 23 government finance shall provide to each county an estimate of the  
 24 maximum amount of property taxes imposed for community  
 25 mental health centers or community intellectual disability and  
 26 other developmental disabilities centers that are exempt from the  
 27 levy limits for the ensuing year.

28 SECTION 17. IC 6-1.1-18.5-10.1 IS REPEALED [EFFECTIVE  
 29 JULY 1, 2016]. Sec. 10.1: (a) The ad valorem property tax levy limits  
 30 imposed by section 3 of this chapter do not apply to ad valorem  
 31 property taxes imposed by a county, city, or town to supplemental juror  
 32 fees adopted under IC 33-37-10-1, to the extent provided in subsections  
 33 (b) and (c):

34 (b) Subject to subsection (c); for purposes of determining the  
 35 property tax levy limit imposed on a county, city, or town under section  
 36 3 of this chapter, the county, city, or town's ad valorem property tax  
 37 levy for a calendar year does not include an amount equal to:

38 (1) the average annual expenditures for nonsupplemental juror  
 39 fees under IC 33-37-10-1, using the five (5) most recent years for  
 40 which expenditure amounts are available; multiplied by

41 (2) the percentage increase in juror fees that is attributable to  
 42 supplemental juror fees under the most recent ordinance adopted



1 under IC 33-37-10-1.

2 (c) For property taxes first due and payable after December 31,  
3 2008, property taxes may be excluded under subsection (b) from the ad  
4 valorem property tax levy limits imposed by section 3 of this chapter  
5 only to the extent that:

6 (1) the county fiscal body adopts a resolution approving some or  
7 all of the property taxes that may be excluded by a city or town  
8 under subsection (b), in the case of property taxes imposed by a  
9 city or town; or

10 (2) the county fiscal body adopts a resolution:

11 (A) that approves some or all of the property taxes that may be  
12 excluded by the county under subsection (b); and

13 (B) that explains why the exclusion under subsection (b) is  
14 necessary and in the best interest of taxpayers;

15 in the case of property taxes imposed by the county:

16 In the case of a city or town located in more than one (1) county, the  
17 exclusion under subsection (b) must be approved by the fiscal body of  
18 the county in which the greatest part of the city's or town's net assessed  
19 valuation is located:

20 SECTION 18. IC 6-1.1-18.5-19.1 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19.1. (a) **This**  
22 **subsection does not apply for property taxes first due and payable**  
23 **after December 31, 2016.** The ad valorem property tax levy limits  
24 imposed by section 3 of this chapter do not apply to ad valorem  
25 property taxes imposed on personal property of banks that became  
26 subject to assessment in 1989 and thereafter because of IC 6-1.1-2-7.

27 (b) **This subsection does not apply for property taxes first due**  
28 **and payable after December 31, 2016.** For purposes of computing the  
29 ad valorem property tax levy limits imposed under section 3 of this  
30 chapter, a civil taxing unit's ad valorem property tax levy for a  
31 particular calendar year does not include that part of the levy imposed  
32 on bank personal property as provided in subsection (a).

33 (c) **For budget year 2017, the department of local government**  
34 **finance shall make a one (1) time permanent adjustment to the ad**  
35 **valorem property tax levy limits imposed by section 3 of this**  
36 **chapter in an amount equal to the excluded levy under subsection**  
37 **(b) for budget year 2016.**

38 (d) **This section expires July 1, 2018.**

39 SECTION 19. IC 6-1.1-18.5-24 IS ADDED TO THE INDIANA  
40 CODE AS A NEW SECTION TO READ AS FOLLOWS  
41 [EFFECTIVE JULY 1, 2016]: Sec. 24. (a) **Before July 15 of each**  
42 **year, the department of local government finance shall provide to**



1 each taxing unit that levies property taxes an estimate of the  
 2 maximum permissible property tax levies under section 3 of this  
 3 chapter that will apply for the ensuing calendar year.

4 (b) The department's estimates shall, as necessary, provide  
 5 guidance on calculating allowable adjustment to the maximum  
 6 permissible property tax levies under section 3 of this chapter.

7 (c) The department's estimate under this section is not binding  
 8 for the purposes of budget adoption by a taxing unit.

9 SECTION 20. IC 6-1.1-20.6-11.1 IS ADDED TO THE INDIANA  
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 11 [EFFECTIVE JULY 1, 2016]: Sec. 11.1. (a) Before August 1 of each  
 12 year, the department of local government finance shall provide to  
 13 each taxing unit that levies property taxes an estimate of the  
 14 amount by which the taxing unit's distribution of property taxes  
 15 will be reduced under section 9.5 of this chapter in the ensuing  
 16 year.

17 (b) To determine the estimates required by subsection (a), the  
 18 department of local government finance shall use the best available  
 19 assessed value data and the levy limitation estimates determined  
 20 under IC 6-1.1-18.5-24.

21 (c) The department of local government finance may also  
 22 require taxing units to provide information on proposed debt  
 23 issuance, excess levy appeals, and fund establishments occurring in  
 24 the current year that may affect the tax levies and tax rates for the  
 25 ensuing year. This information shall be collected in a manner  
 26 prescribed by the department of local government finance. Taxing  
 27 units shall provide the requested information to the department of  
 28 local government finance by the deadline established by the  
 29 department of local government finance, which may not be later  
 30 than June 30 of each year.

31 SECTION 21. IC 6-1.1-41-4 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. A political  
 33 subdivision that in any year adopts a proposal under this chapter must  
 34 submit the proposal to the department of local government finance:

- 35 (1) before August 2 of that year, for years before 2018; and  
 36 (2) before May 1 of that year, for years after 2017.

37 SECTION 22. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015,  
 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2016]: Sec. 5. (a) Before August 2 of each calendar year  
 40 before 2018, and before June 1 of each calendar year after 2017,  
 41 the budget agency shall provide to the department of local government  
 42 finance and the county auditor of each adopting county an estimate of





1 the amount determined under section 4 of this chapter that will be  
 2 distributed to the county, based on known tax rates. Not later than  
 3 fifteen (15) days after receiving the estimate of the certified  
 4 distribution, **for calendar years before 2018, and not later than July**  
 5 **1 of each year, for calendar years after 2017**, the department of local  
 6 government finance shall determine for each taxing unit and notify the  
 7 county auditor of the estimated amount of property tax credits, school  
 8 distributions, public safety revenue, economic development revenue,  
 9 certified shares, and special purpose revenue that will be distributed to  
 10 the taxing unit under this chapter during the ensuing calendar year. Not  
 11 later than thirty (30) days after receiving the department's estimate, the  
 12 county auditor shall notify each taxing unit of the amounts estimated  
 13 for the taxing unit.

14 (b) Before October 1 of each calendar year, the budget agency shall  
 15 certify to the department of local government finance and the county  
 16 auditor of each adopting county:

- 17 (1) the amount determined under section 4 of this chapter; and
- 18 (2) the amount of interest in the county's account that has accrued  
 19 and has not been included in a certification made in a preceding  
 20 year.

21 The amount certified is the county's certified distribution for the  
 22 immediately succeeding calendar year. The amount certified shall be  
 23 adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not  
 24 later than fifteen (15) days after receiving the amount of the certified  
 25 distribution, the department of local government finance shall  
 26 determine for each taxing unit and notify the county auditor of the  
 27 certified amount of property tax credits, school distributions, public  
 28 safety revenue, economic development revenue, certified shares, and  
 29 special purpose revenue that will be distributed to the taxing unit under  
 30 this chapter during the ensuing calendar year. Not later than thirty (30)  
 31 days after receiving the department's estimate, the county auditor shall  
 32 notify each taxing unit of the certified amounts for the taxing unit.

33 SECTION 23. IC 12-29-1-1, AS AMENDED BY P.L.117-2015,  
 34 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 JULY 1, 2016]: Sec. 1. (a) The county executive of a county may  
 36 authorize the furnishing of financial assistance to a community  
 37 intellectual disability and other developmental disabilities center that  
 38 is located or will be located in the county.

39 (b) Assistance authorized under this section shall be used for the  
 40 following purposes:

- 41 (1) Constructing a center.
- 42 (2) Operating a center.

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1 (c) Upon request of the county executive, the county fiscal body  
 2 may appropriate annually from the county's general fund the money to  
 3 provide financial assistance for the purposes described in subsection  
 4 (b). **For property taxes first due and payable before January 1,**  
 5 **2017,** the appropriation may not exceed the amount that could be  
 6 collected from an annual tax levy of not more than three and  
 7 thirty-three hundredths cents (\$0.0333) on each one hundred dollars  
 8 (\$100) of taxable property within the county.

9 (d) **For property taxes first due and payable after December 31,**  
 10 **2016, the maximum allowable appropriation for the purposes**  
 11 **described in subsection (b) is equal to the result of:**

12 (1) **the maximum allowable appropriation by the county for**  
 13 **the preceding year; multiplied by**

14 (2) **the assessed value growth quotient determined under**  
 15 **IC 6-1.1-18.5-2 for the year.**

16 (e) For purposes of this subsection, "first calendar year" refers  
 17 to the first calendar year after 2008 in which the county imposes an ad  
 18 valorem property tax levy for the county general fund to provide  
 19 financial assistance under this chapter. If a county did not provide  
 20 financial assistance under this chapter in 2008, the county for a  
 21 following calendar year:

22 (1) may propose a financial assistance budget; and

23 (2) shall refer its proposed financial assistance budget for the first  
 24 calendar year to the department of local government finance  
 25 before the tax levy is advertised.

26 The ad valorem property tax levy to fund the budget for the first  
 27 calendar year is subject to review and approval under IC 6-1.1-18.5-10.

28 SECTION 24. IC 12-29-1-2, AS AMENDED BY P.L.117-2015,  
 29 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2016]: Sec. 2. (a) If a community intellectual disability and  
 31 other developmental disabilities center is organized to provide services  
 32 to at least two (2) counties, the county executive of each county may  
 33 authorize the furnishing of financial assistance for the purposes  
 34 described in section 1(b) of this chapter.

35 (b) Upon the request of the county executive of the county, the  
 36 county fiscal body of each county may appropriate annually from the  
 37 county's general fund the money to provide financial assistance for the  
 38 purposes described in section 1(b) of this chapter. **For property taxes**  
 39 **first due and payable before January 1, 2017,** the appropriation of  
 40 each county may not exceed the amount that could be collected from  
 41 an annual tax levy of three and thirty-three hundredths cents (\$0.0333)  
 42 on each one hundred dollars (\$100) of taxable property within the



1 county.

2 **(c) For property taxes first due and payable after December 31,**  
 3 **2016, the maximum allowable appropriation by each county for the**  
 4 **purposes described in section 1(b) of this chapter is equal to the**  
 5 **result of:**

6 **(1) the maximum allowable appropriation by the county for**  
 7 **the preceding year; multiplied by**

8 **(2) the assessed value growth quotient determined under**  
 9 **IC 6-1.1-18.5-2 for the year.**

10 SECTION 25. IC 12-29-1-3, AS AMENDED BY P.L.117-2015,  
 11 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2016]: Sec. 3. (a) The county executive of each county whose  
 13 residents may receive services from a community intellectual disability  
 14 and other developmental disabilities center may authorize the  
 15 furnishing of a share of financial assistance for the purposes described  
 16 in section 1(b) of this chapter if the following conditions are met:

17 (1) The facilities for the center are located in a state adjacent to  
 18 Indiana.

19 (2) The center is organized to provide services to Indiana  
 20 residents.

21 (b) Upon the request of the county executive of a county, the county  
 22 fiscal body of the county may appropriate annually from the county's  
 23 general fund the money to provide financial assistance for the purposes  
 24 described in section 1(b) of this chapter. **For property taxes first due**  
 25 **and payable before January 1, 2017,** the appropriations of the county  
 26 may not exceed the amount that could be collected from an annual tax  
 27 levy of three and thirty-three hundredths cents (\$0.0333) on each one  
 28 hundred dollars (\$100) of taxable property within the county.

29 **(c) For property taxes first due and payable after December 31,**  
 30 **2016, the maximum allowable appropriation by the county for the**  
 31 **purposes described in section 1(b) of this chapter is equal to the**  
 32 **result of:**

33 **(1) the maximum allowable appropriation by the county for**  
 34 **the preceding year; multiplied by**

35 **(2) the assessed value growth quotient determined under**  
 36 **IC 6-1.1-18.5-2 for the year.**

37 SECTION 26. IC 12-29-1-3.5 IS ADDED TO THE INDIANA  
 38 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 39 [EFFECTIVE JULY 1, 2016]: Sec. 3.5. **Before July 15, 2016, and**  
 40 **before July 15 of each year thereafter, the department of local**  
 41 **government finance shall provide to counties an estimate of the**  
 42 **maximum allowable appropriation under section 1, 2, or 3 of this**



1 **chapter (as applicable) for the ensuing year.**

2 SECTION 27. IC 12-29-2-2, AS AMENDED BY P.L.153-2014,  
3 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2016]: Sec. 2. (a) A county shall fund the operation of  
5 community mental health centers in the amount determined under  
6 subsection (b), unless a lower tax levy amount will be adequate to  
7 fulfill the county's financial obligations under this chapter in any of the  
8 following situations:

9 (1) If the total population of the county is served by one (1)  
10 center.

11 (2) If the total population of the county is served by more than one  
12 (1) center.

13 (3) If the partial population of the county is served by one (1)  
14 center.

15 (4) If the partial population of the county is served by more than  
16 one (1) center.

17 (b) The amount of funding under subsection (a) for taxes first due  
18 and payable in a calendar year is ~~the following:~~

19 ~~(1) For 2004, the amount is the amount determined under STEP~~  
20 ~~THREE of the following formula:~~

21 ~~STEP ONE: Determine the amount that was levied within the~~  
22 ~~county to comply with this section from property taxes first~~  
23 ~~due and payable in 2002.~~

24 ~~STEP TWO: Multiply the STEP ONE result by the county's~~  
25 ~~assessed value growth quotient for the ensuing year 2003, as~~  
26 ~~determined under IC 6-1.1-18.5-2.~~

27 ~~STEP THREE: Multiply the STEP TWO result by the county's~~  
28 ~~assessed value growth quotient for the ensuing year 2004, as~~  
29 ~~determined under IC 6-1.1-18.5-2.~~

30 ~~(2) Except as provided in subsection (c), for 2005 and each year~~  
31 ~~thereafter, the result equal to:~~

32 ~~(A) (1) the maximum amount that was could have been levied~~  
33 ~~in the county to comply with this section from property taxes first~~  
34 ~~due and payable in the calendar year immediately preceding the~~  
35 ~~ensuing calendar year, as previously determined under this~~  
36 ~~section by using the amount calculated under this section in~~  
37 ~~2004 as the base amount; multiplied by~~

38 ~~(B) (2) the county's assessed value growth quotient for the~~  
39 ~~ensuing calendar year, as determined under IC 6-1.1-18.5-2.~~

40 (c) This subsection applies only to property taxes first due and  
41 payable after December 31, 2007. This subsection applies only to a  
42 county for which:



- 1 (1) a county adjusted gross income tax rate is first imposed or is  
 2 increased in a particular year under IC 6-3.5-1.1-24; or  
 3 (2) a county option income tax rate is first imposed or is increased  
 4 in a particular year under IC 6-3.5-6-30;  
 5 to provide property tax relief in the county. Notwithstanding any  
 6 provision in this section or any other section of this chapter, for a  
 7 county subject to this subsection, the county's maximum property tax  
 8 levy under this section to fund the operation of community mental  
 9 health centers for the ensuing calendar year is equal to the county's  
 10 maximum property tax levy to fund the operation of community mental  
 11 health centers for the current calendar year.
- 12 (d) Except as provided in subsection (h), the county shall pay to the  
 13 division of mental health and addiction the part of the funding  
 14 determined under subsection (b) that is appropriated solely for funding  
 15 the operations of a community health center. The funding required  
 16 under this section for operations of a community health center shall be  
 17 paid by the county to the division of mental health and addiction. These  
 18 funds shall be used solely for satisfying the non-federal share of  
 19 medical assistance payments to community mental health centers  
 20 serving the county for:
- 21 (1) allowable administrative services; and  
 22 (2) community mental health rehabilitation services.
- 23 All other funding appropriated for the purposes allowed under section  
 24 1.2(b)(1) of this chapter shall be paid by the county directly to the  
 25 community mental health center semiannually at the times that the  
 26 payments are made under subsection (e).
- 27 (e) The county shall appropriate and disburse the funds for  
 28 operations semiannually not later than December 1 and June 1 in an  
 29 amount equal to the amount determined under subsection (b) and  
 30 requested in writing by the division of mental health and addiction. The  
 31 total funding amount paid to the division of mental health and  
 32 addiction for a county for each calendar year may not exceed the  
 33 amount that is calculated in subsection (b) and set forth in writing by  
 34 the division of mental health and addiction for the county. Funds paid  
 35 to the division of mental health and addiction by the county shall be  
 36 submitted by the county in a timely manner after receiving the written  
 37 request from the division of mental health and addiction, to ensure  
 38 current year compliance with the community mental health  
 39 rehabilitation program and any administrative requirements of the  
 40 program.
- 41 (f) The division of mental health and addiction shall ensure that the  
 42 non-federal share of funding received from a county under this program



1 is applied only for matching federal funds for the designated  
 2 community mental health centers to the extent a center is eligible to  
 3 receive county funding under IC 12-21-2-3(5)(D).

4 (g) The division of mental health and addiction:

5 (1) shall first apply state funding to a community mental health  
 6 center's non-federal share of funding under this program; and

7 (2) may next apply county funding received under this section to  
 8 any remaining non-federal share of funding for the community  
 9 mental health center.

10 The division shall distribute any excess state funds that exceed the  
 11 community mental health rehabilitation services non-federal share  
 12 applied to a community mental health center that is entitled to the  
 13 excess state funds.

14 (h) The health and hospital corporation of Marion County created  
 15 by IC 16-22-8-6 may make payments to the division for the operation  
 16 of a community mental health center as described in this chapter.

17 SECTION 28. IC 36-1.5-4-7, AS AMENDED BY P.L.26-2012,  
 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2016]: Sec. 7. (a) In the year before the year in which the  
 20 participating political subdivisions are reorganized under this chapter:

21 (1) subject to subsection (b), the fiscal bodies of the reorganizing  
 22 political subdivisions shall, in the manner provided by  
 23 IC 6-1.1-17, adopt tax levies, tax rates, and a budget for the  
 24 reorganized political subdivision either through the adoption of  
 25 substantially identical resolutions adopted by each of the fiscal  
 26 bodies or, if authorized in the plan of reorganization, through a  
 27 joint board established under an agreement of the fiscal bodies on  
 28 which the members of each of the fiscal bodies are represented;  
 29 and

30 (2) if the reorganized political subdivision will have elected  
 31 offices and different election districts than any of the reorganizing  
 32 political subdivisions, the legislative bodies of the reorganizing  
 33 political subdivisions shall establish the election districts either  
 34 through the adoption of substantially identical resolutions adopted  
 35 by each of the legislative bodies or, if authorized in the plan of  
 36 reorganization, through a joint board established under an  
 37 agreement of the legislative bodies on which the members of each  
 38 of the legislative bodies are represented.

39 (b) This subsection applies to two (2) or more school corporations  
 40 that participate in a reorganization in which the voters approve a plan  
 41 of reorganization in a general election and the plan of reorganization  
 42 provides for the reorganization to become effective for property taxes



1 first due and payable in the immediately following calendar year. The  
 2 participating school corporations may publish notices, hold public  
 3 hearings, and take final action for the adoption of property tax levies,  
 4 property tax rates, and a budget for the reorganized school corporation  
 5 after the voters approve the plan of reorganization. The alternative  
 6 schedule must comply with the following:

7 (1) Each participating school corporation shall give notice by  
 8 publication to taxpayers of:

9 (A) the estimated budget;

10 (B) the estimated maximum permissible levy;

11 (C) the current and proposed tax levies of each fund; and

12 (D) the amounts of excessive levy appeals to be requested;

13 for the ensuing year. The notice must be published twice in  
 14 accordance with IC 5-3-1 with the first publication at least ten  
 15 (10) days before the date fixed for the public hearing and with the  
 16 last publication not later than November 24 of the year the public  
 17 question is approved by the voters.

18 (2) Each participating school corporation must conduct a public  
 19 hearing on the proposed tax levies, tax rates, and budget at least  
 20 ten (10) days before the date the participating school corporation  
 21 adopts the proposed tax levies, tax rates, and budget.

22 (3) The governing body of each participating school corporation  
 23 must meet to fix the tax levies, tax rates, and budget for the  
 24 ensuing year before December 6 of the year the public question  
 25 is approved by the voters.

26 (4) The county auditor shall certify the adopted property tax  
 27 levies, property tax rates, and budget for the reorganized school  
 28 corporation to the department of local government finance before  
 29 December 8 in the year in which the public question is approved  
 30 by the voters.

31 **Subject to subsection (c)**, the department of local government finance  
 32 may adjust any other applicable time limit specified in IC 6-1.1-17 to  
 33 be consistent with this section. ~~However,~~

34 (c) The department of local government finance is expressly  
 35 directed to complete the duties assigned to it under IC 6-1.1-17-16 with  
 36 respect to the submitted property tax levies, property tax rates, and  
 37 budget as follows:

38 (1) **For each budget year before 2019**, not later than February  
 39 15 in the ensuing of that budget year.

40 (2) **For each budget year after 2018, not later than December**  
 41 **31 of the year preceding that budget year, unless a taxing unit**  
 42 **in a county is issuing debt after December 1 in the year**



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**preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.**

**(3) For each budget year after 2018, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.**

(e) (d) If a school is converted into a charter school under IC 20-24-11, the charter school must, before December 1 of each year, publish its estimated annual budget for the ensuing year in accordance with IC 5-3-1.

SECTION 29. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:

"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.

"Base assessed value" means the following:

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

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

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

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

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

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





## (3) If:

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

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

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

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) 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



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

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

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

36 or

37 (B) the base assessed value;

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

40 (2) The excess of the proceeds of the property taxes imposed for  
 41 the assessment date with respect to which the allocation and  
 42 distribution is made that are attributable to taxes imposed after



1 being approved by the voters in a referendum or local public  
 2 question conducted after April 30, 2010, not otherwise included  
 3 in subdivision (1) shall be allocated to and, when collected, paid  
 4 into the funds of the taxing unit for which the referendum or local  
 5 public question was conducted.

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

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

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

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

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

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

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

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

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

40 (I) For property taxes first due and payable before January 1,  
 41 2009, pay all or a part of a property tax replacement credit to  
 42 taxpayers in an allocation area as determined by the



1 redevelopment commission. This credit equals the amount  
 2 determined under the following STEPS for each taxpayer in a  
 3 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
 4 part of the allocation area:  
 5 STEP ONE: Determine that part of the sum of the amounts  
 6 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 7 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 8 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to  
 9 the taxing district.  
 10 STEP TWO: Divide:  
 11 (i) that part of each county's eligible property tax  
 12 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 13 repeal)) for that year as determined under IC 6-1.1-21-4  
 14 (before its repeal) that is attributable to the taxing district;  
 15 by  
 16 (ii) the STEP ONE sum.  
 17 STEP THREE: Multiply:  
 18 (i) the STEP TWO quotient; times  
 19 (ii) the total amount of the taxpayer's taxes (as defined in  
 20 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 21 that have been allocated during that year to an allocation  
 22 fund under this section.  
 23 If not all the taxpayers in an allocation area receive the credit  
 24 in full, each taxpayer in the allocation area is entitled to  
 25 receive the same proportion of the credit. A taxpayer may not  
 26 receive a credit under this section and a credit under section  
 27 39.5 of this chapter (before its repeal) in the same year.  
 28 (J) Pay expenses incurred by the redevelopment commission  
 29 for local public improvements that are in the allocation area or  
 30 serving the allocation area. Public improvements include  
 31 buildings, parking facilities, and other items described in  
 32 section 25.1(a) of this chapter.  
 33 (K) Reimburse public and private entities for expenses  
 34 incurred in training employees of industrial facilities that are  
 35 located:  
 36 (i) in the allocation area; and  
 37 (ii) on a parcel of real property that has been classified as  
 38 industrial property under the rules of the department of local  
 39 government finance.  
 40 However, the total amount of money spent for this purpose in  
 41 any year may not exceed the total amount of money in the  
 42 allocation fund that is attributable to property taxes paid by the



1 industrial facilities described in this clause. The  
 2 reimbursements under this clause must be made within three  
 3 (3) years after the date on which the investments that are the  
 4 basis for the increment financing are made.

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

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

18 (ii) Make any reimbursements required under this  
 19 subdivision.

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

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

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

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

27 (4) Except as provided in subsection (g), before ~~July 1~~ **June 15** of  
 28 each year, the commission shall do the following:

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

38 (B) Provide a written notice to the county auditor, the fiscal  
 39 body of the county or municipality that established the  
 40 department of redevelopment, the officers who are authorized  
 41 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 42 each of the other taxing units that is wholly or partly located



1 within the allocation area, and (in an electronic format) the  
2 department of local government finance. The notice must:

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

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

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

17 (C) If:

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

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

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

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

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

40 (2) the base assessed value.

41 (d) Property tax proceeds allocable to the redevelopment district  
42 under subsection (b)(3) may, subject to subsection (b)(4), be



1 irrevocably pledged by the redevelopment district for payment as set  
2 forth in subsection (b)(3).

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

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

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

14 (2) the base assessed value.

15 (g) If any part of the allocation area is located in an enterprise zone  
16 created under IC 5-28-15, the unit that designated the allocation area  
17 shall create funds as specified in this subsection. A unit that has  
18 obligations, bonds, or leases payable from allocated tax proceeds under  
19 subsection (b)(3) shall establish an allocation fund for the purposes  
20 specified in subsection (b)(3) and a special zone fund. Such a unit  
21 shall, until the end of the enterprise zone phase out period, deposit each  
22 year in the special zone fund any amount in the allocation fund derived  
23 from property tax proceeds in excess of those described in subsection  
24 (b)(1) and (b)(2) from property located in the enterprise zone that  
25 exceeds the amount sufficient for the purposes specified in subsection  
26 (b)(3) for the year. The amount sufficient for purposes specified in  
27 subsection (b)(3) for the year shall be determined based on the pro rata  
28 portion of such current property tax proceeds from the part of the  
29 enterprise zone that is within the allocation area as compared to all  
30 such current property tax proceeds derived from the allocation area. A  
31 unit that has no obligations, bonds, or leases payable from allocated tax  
32 proceeds under subsection (b)(3) shall establish a special zone fund  
33 and deposit all the property tax proceeds in excess of those described  
34 in subsection (b)(1) and (b)(2) in the fund derived from property tax  
35 proceeds in excess of those described in subsection (b)(1) and (b)(2)  
36 from property located in the enterprise zone. The unit that creates the  
37 special zone fund shall use the fund (based on the recommendations of  
38 the urban enterprise association) for programs in job training, job  
39 enrichment, and basic skill development that are designed to benefit  
40 residents and employers in the enterprise zone or other purposes  
41 specified in subsection (b)(3), except that where reference is made in  
42 subsection (b)(3) to allocation area it shall refer for purposes of



1 payments from the special zone fund only to that part of the allocation  
 2 area that is also located in the enterprise zone. Those programs shall  
 3 reserve at least one-half (1/2) of their enrollment in any session for  
 4 residents of the enterprise zone.

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

- 20 (1) may not include the effect of phasing in assessed value due to  
 21 property tax abatements under IC 6-1.1-12.1;  
 22 (2) may not produce less property tax proceeds allocable to the  
 23 redevelopment district under subsection (b)(3) than would  
 24 otherwise have been received if the general reassessment, the  
 25 reassessment under the reassessment plan, or the annual  
 26 adjustment had not occurred; and  
 27 (3) may decrease base assessed value only to the extent that  
 28 assessed values in the allocation area have been decreased due to  
 29 annual adjustments or the reassessment under the reassessment  
 30 plan.

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

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

- 38 (1) The initial allocation deadline is December 31, 2011.  
 39 (2) Subject to subdivision (3), the initial allocation deadline and  
 40 subsequent allocation deadlines are automatically extended in  
 41 increments of five (5) years, so that allocation deadlines  
 42 subsequent to the initial allocation deadline fall on December 31,





1 2016, and December 31 of each fifth year thereafter.

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

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

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

9 SECTION 30. IC 36-7-14-48, AS AMENDED BY P.L.87-2015,  
10 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 UPON PASSAGE]: Sec. 48. (a) Notwithstanding section 39(a) of this  
12 chapter, with respect to the allocation and distribution of property taxes  
13 for the accomplishment of a program adopted under section 45 of this  
14 chapter, "base assessed value" means the net assessed value of all of  
15 the property, other than personal property, as finally determined for the  
16 assessment date immediately preceding the effective date of the  
17 allocation provision, as adjusted under section 39(h) of this chapter.

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

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

24 (2) The construction, reconstruction, or repair of any  
25 infrastructure (including streets, sidewalks, and sewers) within or  
26 serving the allocation area.

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

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

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

35 (6) The provision of financial assistance to neighborhood  
36 development corporations to permit them to provide financial  
37 assistance for the purposes described in subdivision (5).

38 (7) For property taxes first due and payable before January 1,  
39 2009, providing each taxpayer in the allocation area a credit for  
40 property tax replacement as determined under subsections (c) and  
41 (d). However, the commission may provide this credit only if the  
42 municipal legislative body (in the case of a redevelopment



1 commission established by a municipality) or the county  
 2 executive (in the case of a redevelopment commission established  
 3 by a county) establishes the credit by ordinance adopted in the  
 4 year before the year in which the credit is provided.

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

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

13 STEP TWO: Divide:

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

18 (B) the amount determined under STEP ONE.

19 STEP THREE: Multiply:

20 (A) the STEP TWO quotient; by

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

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

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

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

40 (3) If bonds of a lessor under section 25.2 of this chapter or under  
 41 IC 36-1-10 are outstanding and if lease rentals are payable from  
 42 the fund, that there is a debt service reserve for those bonds that



1 at least equals the amount of the credit to be granted.

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

4 (e) Notwithstanding section 39(b) of this chapter, the allocation  
5 fund established under section 39(b) of this chapter for the allocation  
6 area for a program adopted under section 45 of this chapter may only  
7 be used to do one (1) or more of the following:

8 (1) Accomplish one (1) or more of the actions set forth in section  
9 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter  
10 for property that is residential in nature.

11 (2) Reimburse the county or municipality for expenditures made  
12 by the county or municipality in order to accomplish the housing  
13 program in that allocation area.

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

16 (f) Notwithstanding section 39(b) of this chapter, the commission  
17 shall, relative to the allocation fund established under section 39(b) of  
18 this chapter for an allocation area for a program adopted under section  
19 45 of this chapter, do the following before ~~July 1~~ **June 15** of each year:

20 (1) Determine the amount, if any, by which the assessed value of  
21 the taxable property in the allocation area for the most recent  
22 assessment date minus the base assessed value, when multiplied  
23 by the estimated tax rate of the allocation area, will exceed the  
24 amount of assessed value needed to produce the property taxes  
25 necessary to:

26 (A) make the distribution required under section 39(b)(2) of  
27 this chapter;

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

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

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

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

41 (A) state the amount, if any, of excess property taxes that the  
42 commission has determined may be paid to the respective



1           taxing units in the manner prescribed in section 39(b)(1) of  
 2           this chapter; or  
 3           (B) state that the commission has determined that there is no  
 4           excess assessed value that may be allocated to the respective  
 5           taxing units in the manner prescribed in subdivision (1).  
 6           The county auditor shall allocate to the respective taxing units the  
 7           amount, if any, of excess assessed value determined by the  
 8           commission.  
 9           (3) If:  
 10           (A) the amount of excess assessed value determined by the  
 11           commission is expected to generate more than two hundred  
 12           percent (200%) of the amount of allocated tax proceeds  
 13           necessary to make, when due, principal and interest payments  
 14           on bonds described in subdivision (1); plus  
 15           (B) the amount necessary for other purposes described in  
 16           subdivision (1);  
 17           the commission shall submit to the legislative body of the unit its  
 18           determination of the excess assessed value that the commission  
 19           proposes to allocate to the respective taxing units in the manner  
 20           prescribed in subdivision (2). The legislative body of the unit may  
 21           approve the commission's determination or modify the amount of  
 22           the excess assessed value that will be allocated to the respective  
 23           taxing units in the manner prescribed in subdivision (2).  
 24           (g) This subsection applies to an allocation area only to the extent  
 25           that the net assessed value of property that is assessed as residential  
 26           property under the rules of the department of local government finance  
 27           is not included in the base assessed value. If property tax installments  
 28           with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
 29           installments established by the department of local government finance  
 30           under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
 31           allocation area is entitled to an additional credit under subsection (d)  
 32           for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
 33           installments. The credit shall be applied in the same proportion to each  
 34           installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).  
 35           SECTION 31. IC 36-7-14-52, AS AMENDED BY P.L.87-2015,  
 36           SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37           UPON PASSAGE]: Sec. 52. (a) Notwithstanding section 39(a) of this  
 38           chapter, with respect to the allocation and distribution of property taxes  
 39           for the accomplishment of the purposes of an age-restricted housing  
 40           program adopted under section 49 of this chapter, "base assessed  
 41           value" means the net assessed value of all of the property, other than  
 42           personal property, as finally determined for the assessment date



1 immediately preceding the effective date of the allocation provision, as  
2 adjusted under section 39(h) of this chapter.

3 (b) The allocation fund established under section 39(b) of this  
4 chapter for the allocation area for an age-restricted housing program  
5 adopted under section 49 of this chapter may be used only for purposes  
6 related to the accomplishment of the purposes of the program,  
7 including, but not limited to, the following:

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

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

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

15 (4) To do any of the following:

16 (A) Pay the principal of and interest on bonds or any other  
17 obligations payable from allocated tax proceeds in the  
18 allocation area that are incurred by the redevelopment district  
19 for the purpose of financing or refinancing the age-restricted  
20 housing program established under section 49 of this chapter  
21 for the allocation area.

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

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

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

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

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

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

42 (c) Notwithstanding section 39(b) of this chapter, the commission



1 shall, relative to the allocation fund established under section 39(b) of  
 2 this chapter for an allocation area for an age-restricted housing program  
 3 adopted under section 49 of this chapter, do the following before ~~July~~  
 4 **† June 15** of each year:

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

11 (A) make the distribution required under section 39(b)(2) of  
 12 this chapter;

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

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

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

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

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

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

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

36 SECTION 32. IC 36-7-15.1-26, AS AMENDED BY P.L.87-2015,  
 37 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 UPON PASSAGE]: Sec. 26. (a) As used in this section:

39 "Allocation area" means that part of a redevelopment project area  
 40 to which an allocation provision of a resolution adopted under section  
 41 8 of this chapter refers for purposes of distribution and allocation of  
 42 property taxes.



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



1 area before July 1, 1995, is expanded after June 30, 1995, the  
2 definition in subdivision (1) applies to the expanded part of the  
3 area added after June 30, 1995.

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

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

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





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

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

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

23 (B) the base assessed value;

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

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

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

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



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



1 proceeds may be used under this clause to pay the costs of  
 2 carrying out an eligible efficiency project only if those  
 3 property tax proceeds exceed the amount necessary to do the  
 4 following:

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

11 (ii) Make any reimbursements required under this  
 12 subdivision.

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

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

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

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

20 (4) Before ~~July~~ **June 15** of each year, the commission shall do  
 21 the following:

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

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

37 The notice must:

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

42 (ii) state that the commission has determined that there is no



- 1 excess assessed value that may be allocated to the respective  
 2 taxing units in the manner prescribed in subdivision (1).  
 3 The county auditor shall allocate to the respective taxing units  
 4 the amount, if any, of excess assessed value determined by the  
 5 commission. The commission may not authorize an allocation  
 6 to the respective taxing units under this subdivision if to do so  
 7 would endanger the interests of the holders of bonds described  
 8 in subdivision (3).  
 9 (C) If:  
 10 (i) the amount of excess assessed value determined by the  
 11 commission is expected to generate more than two hundred  
 12 percent (200%) of the amount of allocated tax proceeds  
 13 necessary to make, when due, principal and interest  
 14 payments on bonds described in subdivision (3); plus  
 15 (ii) the amount necessary for other purposes described in  
 16 subdivision (3) and subsection (g);  
 17 the commission shall submit to the legislative body of the unit  
 18 the commission's determination of the excess assessed value  
 19 that the commission proposes to allocate to the respective  
 20 taxing units in the manner prescribed in subdivision (1). The  
 21 legislative body of the unit may approve the commission's  
 22 determination or modify the amount of the excess assessed  
 23 value that will be allocated to the respective taxing units in the  
 24 manner prescribed in subdivision (1).  
 25 (c) For the purpose of allocating taxes levied by or for any taxing  
 26 unit or units, the assessed value of taxable property in a territory in the  
 27 allocation area that is annexed by any taxing unit after the effective  
 28 date of the allocation provision of the resolution is the lesser of:  
 29 (1) the assessed value of the property for the assessment date with  
 30 respect to which the allocation and distribution is made; or  
 31 (2) the base assessed value.  
 32 (d) Property tax proceeds allocable to the redevelopment district  
 33 under subsection (b)(3) may, subject to subsection (b)(4), be  
 34 irrevocably pledged by the redevelopment district for payment as set  
 35 forth in subsection (b)(3).  
 36 (e) Notwithstanding any other law, each assessor shall, upon  
 37 petition of the commission, reassess the taxable property situated upon  
 38 or in, or added to, the allocation area, effective on the next assessment  
 39 date after the petition.  
 40 (f) Notwithstanding any other law, the assessed value of all taxable  
 41 property in the allocation area, for purposes of tax limitation, property  
 42 tax replacement, and formulation of the budget, tax rate, and tax levy



1 for each political subdivision in which the property is located is the  
2 lesser of:

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

5 (2) the base assessed value.

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

26 (1) To pay for programs in job training, job enrichment, and basic  
27 skill development designed to benefit residents and employers in  
28 the enterprise zone. The programs must reserve at least one-half  
29 (1/2) of the enrollment in any session for residents of the  
30 enterprise zone.

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

35 (A) Businesses operating in the enterprise zone.

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

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



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

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

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

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

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

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

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

38 SECTION 33. IC 36-7-15.1-35, AS AMENDED BY P.L.87-2015,  
 39 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this  
 41 chapter, with respect to the allocation and distribution of property taxes  
 42 for the accomplishment of a program adopted under section 32 of this



1 chapter, "base assessed value" means the net assessed value of all of  
 2 the land as finally determined for the assessment date immediately  
 3 preceding the effective date of the allocation provision, as adjusted  
 4 under section 26(h) of this chapter. However, "base assessed value"  
 5 does not include the value of real property improvements to the land.

6 (b) The special fund established under section 26(b) of this chapter  
 7 for the allocation area for a program adopted under section 32 of this  
 8 chapter may be used only for purposes related to the accomplishment  
 9 of the program, including the following:

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

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

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

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

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

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

26 (7) For property taxes first due and payable before 2009, to  
 27 provide each taxpayer in the allocation area a credit for property  
 28 tax replacement as determined under subsections (c) and (d).  
 29 However, this credit may be provided by the commission only if  
 30 the city-county legislative body establishes the credit by  
 31 ordinance adopted in the year before the year in which the credit  
 32 is provided.

33 (c) The maximum credit that may be provided under subsection  
 34 (b)(7) to a taxpayer in a taxing district that contains all or part of an  
 35 allocation area established for a program adopted under section 32 of  
 36 this chapter shall be determined as follows:

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

41 STEP TWO: Divide:

42 (A) that part of each county's eligible property tax replacement



- 1 amount (as defined in IC 6-1.1-21-2 (before its repeal)) for  
 2 that year as determined under IC 6-1.1-21-4(a)(1) (before its  
 3 repeal) that is attributable to the taxing district; by  
 4 (B) the amount determined under STEP ONE.
- 5 STEP THREE: Multiply:  
 6 (A) the STEP TWO quotient; by  
 7 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its  
 8 repeal)) levied in the taxing district allocated to the allocation  
 9 fund, including the amount that would have been allocated but  
 10 for the credit.
- 11 (d) Except as provided in subsection (g), the commission may  
 12 determine to grant to taxpayers in an allocation area from its allocation  
 13 fund a credit under this section, as calculated under subsection (c), by  
 14 applying one-half (1/2) of the credit to each installment of taxes (as  
 15 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9  
 16 are due and payable in a year. Except as provided in subsection (g),  
 17 one-half (1/2) of the credit shall be applied to each installment of taxes  
 18 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must  
 19 provide for the credit annually by a resolution and must find in the  
 20 resolution the following:
- 21 (1) That the money to be collected and deposited in the allocation  
 22 fund, based upon historical collection rates, after granting the  
 23 credit will equal the amounts payable for contractual obligations  
 24 from the fund, plus ten percent (10%) of those amounts.
- 25 (2) If bonds payable from the fund are outstanding, that there is  
 26 a debt service reserve for the bonds that at least equals the amount  
 27 of the credit to be granted.
- 28 (3) If bonds of a lessor under section 17.1 of this chapter or under  
 29 IC 36-1-10 are outstanding and if lease rentals are payable from  
 30 the fund, that there is a debt service reserve for those bonds that  
 31 at least equals the amount of the credit to be granted.
- 32 If the tax increment is insufficient to grant the credit in full, the  
 33 commission may grant the credit in part, prorated among all taxpayers.
- 34 (e) Notwithstanding section 26(b) of this chapter, the special fund  
 35 established under section 26(b) of this chapter for the allocation area  
 36 for a program adopted under section 32 of this chapter may only be  
 37 used to do one (1) or more of the following:
- 38 (1) Accomplish one (1) or more of the actions set forth in section  
 39 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
- 40 (2) Reimburse the consolidated city for expenditures made by the  
 41 city in order to accomplish the housing program in that allocation  
 42 area.





- 1 The special fund may not be used for operating expenses of the  
 2 commission.
- 3 (f) Notwithstanding section 26(b) of this chapter, the commission  
 4 shall, relative to the special fund established under section 26(b) of this  
 5 chapter for an allocation area for a program adopted under section 32  
 6 of this chapter, do the following before ~~July~~ **June 15** of each year:
- 7 (1) Determine the amount, if any, by which the assessed value of  
 8 the taxable property in the allocation area, when multiplied by the  
 9 estimated tax rate of the allocation area, will exceed the amount  
 10 of assessed value needed to produce the property taxes necessary  
 11 to:
- 12 (A) make the distribution required under section 26(b)(2) of  
 13 this chapter;
- 14 (B) make, when due, principal and interest payments on bonds  
 15 described in section 26(b)(3) of this chapter;
- 16 (C) pay the amount necessary for other purposes described in  
 17 section 26(b)(3) of this chapter; and
- 18 (D) reimburse the consolidated city for anticipated  
 19 expenditures described in subsection (e)(2).
- 20 (2) Provide a written notice to the county auditor, the legislative  
 21 body of the consolidated city, the officers who are authorized to  
 22 fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each  
 23 of the other taxing units that is wholly or partly located within the  
 24 allocation area, and (in an electronic format) the department of  
 25 local government finance. The notice must:
- 26 (A) state the amount, if any, of excess assessed value that the  
 27 commission has determined may be allocated to the respective  
 28 taxing units in the manner prescribed in section 26(b)(1) of  
 29 this chapter; or
- 30 (B) state that the commission has determined that there is no  
 31 excess assessed value that may be allocated to the respective  
 32 taxing units in the manner prescribed in section 26(b)(1) of  
 33 this chapter.
- 34 The county auditor shall allocate to the respective taxing units the  
 35 amount, if any, of excess assessed value determined by the  
 36 commission.
- 37 (g) This subsection applies to an allocation area only to the extent  
 38 that the net assessed value of property that is assessed as residential  
 39 property under the rules of the department of local government finance  
 40 is not included in the base assessed value. If property tax installments  
 41 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its  
 42 repeal)) are due in installments established by the department of local



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

7 SECTION 34. IC 36-7-15.1-53, AS AMENDED BY P.L.87-2015,  
 8 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 9 UPON PASSAGE]: Sec. 53. (a) As used in this section:

10 "Allocation area" means that part of a redevelopment project area  
 11 to which an allocation provision of a resolution adopted under section  
 12 40 of this chapter refers for purposes of distribution and allocation of  
 13 property taxes.

14 "Base assessed value" means:

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

19 (2) to the extent that it is not included in subdivision (1), the net  
 20 assessed value of property that is assessed as residential property  
 21 under the rules of the department of local government finance, as  
 22 finally determined for any assessment date after the effective date  
 23 of the allocation provision.

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

26 (b) A resolution adopted under section 40 of this chapter on or  
 27 before the allocation deadline determined under subsection (i) may  
 28 include a provision with respect to the allocation and distribution of  
 29 property taxes for the purposes and in the manner provided in this  
 30 section. A resolution previously adopted may include an allocation  
 31 provision by the amendment of that resolution on or before the  
 32 allocation deadline determined under subsection (i) in accordance with  
 33 the procedures required for its original adoption. A declaratory  
 34 resolution or an amendment that establishes an allocation provision  
 35 must be approved by resolution of the legislative body of the excluded  
 36 city and must specify an expiration date for the allocation provision.  
 37 For an allocation area established before July 1, 2008, the expiration  
 38 date may not be more than thirty (30) years after the date on which the  
 39 allocation provision is established. For an allocation area established  
 40 after June 30, 2008, the expiration date may not be more than  
 41 twenty-five (25) years after the date on which the first obligation was  
 42 incurred to pay principal and interest on bonds or lease rentals on



1 leases payable from tax increment revenues. However, with respect to  
 2 bonds or other obligations that were issued before July 1, 2008, if any  
 3 of the bonds or other obligations that were scheduled when issued to  
 4 mature before the specified expiration date and that are payable only  
 5 from allocated tax proceeds with respect to the allocation area remain  
 6 outstanding as of the expiration date, the allocation provision does not  
 7 expire until all of the bonds or other obligations are no longer  
 8 outstanding. The allocation provision may apply to all or part of the  
 9 redevelopment project area. The allocation provision must require that  
 10 any property taxes subsequently levied by or for the benefit of any  
 11 public body entitled to a distribution of property taxes on taxable  
 12 property in the allocation area be allocated and distributed as follows:

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

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

17 or

18 (B) the base assessed value;

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

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

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

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

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

42 (C) Pay the principal of and interest on bonds payable from



- 1 allocated tax proceeds in that allocation area and from the  
 2 special tax levied under section 50 of this chapter.
- 3 (D) Pay the principal of and interest on bonds issued by the  
 4 excluded city to pay for local public improvements that are  
 5 physically located in or physically connected to that allocation  
 6 area.
- 7 (E) Pay premiums on the redemption before maturity of bonds  
 8 payable solely or in part from allocated tax proceeds in that  
 9 allocation area.
- 10 (F) Make payments on leases payable from allocated tax  
 11 proceeds in that allocation area under section 46 of this  
 12 chapter.
- 13 (G) Reimburse the excluded city for expenditures for local  
 14 public improvements (which include buildings, park facilities,  
 15 and other items set forth in section 45 of this chapter) that are  
 16 physically located in or physically connected to that allocation  
 17 area.
- 18 (H) Reimburse the unit for rentals paid by it for a building or  
 19 parking facility that is physically located in or physically  
 20 connected to that allocation area under any lease entered into  
 21 under IC 36-1-10.
- 22 (I) Reimburse public and private entities for expenses incurred  
 23 in training employees of industrial facilities that are located:
- 24 (i) in the allocation area; and  
 25 (ii) on a parcel of real property that has been classified as  
 26 industrial property under the rules of the department of local  
 27 government finance.
- 28 However, the total amount of money spent for this purpose in  
 29 any year may not exceed the total amount of money in the  
 30 allocation fund that is attributable to property taxes paid by the  
 31 industrial facilities described in this clause. The  
 32 reimbursements under this clause must be made within three  
 33 (3) years after the date on which the investments that are the  
 34 basis for the increment financing are made.
- 35 The special fund may not be used for operating expenses of the  
 36 commission.
- 37 (4) Before ~~July 1~~ **June 15** of each year, the commission shall do  
 38 the following:
- 39 (A) Determine the amount, if any, by which the assessed value  
 40 of the taxable property in the allocation area for the most  
 41 recent assessment date minus the base assessed value, when  
 42 multiplied by the estimated tax rate of the allocation area, will



1 exceed the amount of assessed value needed to provide the  
 2 property taxes necessary to make, when due, principal and  
 3 interest payments on bonds described in subdivision (3) plus  
 4 the amount necessary for other purposes described in  
 5 subdivision (3) and subsection (g).

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

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

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

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

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

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

32 (2) the base assessed value.

33 (d) Property tax proceeds allocable to the redevelopment district  
 34 under subsection (b)(3) may, subject to subsection (b)(4), be  
 35 irrevocably pledged by the redevelopment district for payment as set  
 36 forth in subsection (b)(3).

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

41 (f) Notwithstanding any other law, the assessed value of all taxable  
 42 property in the allocation area, for purposes of tax limitation, property



1 tax replacement, and formulation of the budget, tax rate, and tax levy  
 2 for each political subdivision in which the property is located, is the  
 3 lesser of:

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

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

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

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

36 (A) Businesses operating in the enterprise zone.

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

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



- 1 of the allocation area that is also located in the enterprise zone.
- 2 (h) The state board of accounts and department of local government  
 3 finance shall make the rules and prescribe the forms and procedures  
 4 that they consider expedient for the implementation of this chapter.  
 5 After each general reassessment of real property in an area under  
 6 IC 6-1.1-4-4 or reassessment under a county's reassessment plan  
 7 prepared under IC 6-1.1-4-4.2, the department of local government  
 8 finance shall adjust the base assessed value one (1) time to neutralize  
 9 any effect of the reassessment of the real property in the area on the  
 10 property tax proceeds allocated to the redevelopment district under this  
 11 section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 12 department of local government finance shall adjust the base assessed  
 13 value to neutralize any effect of the annual adjustment on the property  
 14 tax proceeds allocated to the redevelopment district under this section.  
 15 However, the adjustments under this subsection may not include the  
 16 effect of property tax abatements under IC 6-1.1-12.1, and these  
 17 adjustments may not produce less property tax proceeds allocable to  
 18 the redevelopment district under subsection (b)(3) than would  
 19 otherwise have been received if the general reassessment, reassessment  
 20 under the county's reassessment plan, or annual adjustment had not  
 21 occurred. The department of local government finance may prescribe  
 22 procedures for county and township officials to follow to assist the  
 23 department in making the adjustments.
- 24 (i) The allocation deadline referred to in subsection (b) is  
 25 determined in the following manner:
- 26 (1) The initial allocation deadline is December 31, 2011.
- 27 (2) Subject to subdivision (3), the initial allocation deadline and  
 28 subsequent allocation deadlines are automatically extended in  
 29 increments of five (5) years, so that allocation deadlines  
 30 subsequent to the initial allocation deadline fall on December 31,  
 31 2016, and December 31 of each fifth year thereafter.
- 32 (3) At least one (1) year before the date of an allocation deadline  
 33 determined under subdivision (2), the general assembly may enact  
 34 a law that:
- 35 (A) terminates the automatic extension of allocation deadlines  
 36 under subdivision (2); and
- 37 (B) specifically designates a particular date as the final allocation  
 38 deadline.
- 39 SECTION 35. IC 36-7-15.1-62, AS AMENDED BY P.L.87-2015,  
 40 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 UPON PASSAGE]: Sec. 62. (a) Notwithstanding section 26(a) of this  
 42 chapter, with respect to the allocation and distribution of property taxes



1 for the accomplishment of the purposes of an age-restricted housing  
 2 program adopted under section 59 of this chapter, "base assessed  
 3 value" means the net assessed value of all of the property, other than  
 4 personal property, as finally determined for the assessment date  
 5 immediately preceding the effective date of the allocation provision, as  
 6 adjusted under section 26(h) of this chapter.

7 (b) The allocation fund established under section 26(b) of this  
 8 chapter for the allocation area for an age-restricted housing program  
 9 adopted under section 59 of this chapter may be used only for purposes  
 10 related to the accomplishment of the purposes of the program,  
 11 including, but not limited to, the following:

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

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

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

19 (4) To do any of the following:

20 (A) Pay the principal of and interest on bonds or any other  
 21 obligations payable from allocated tax proceeds in the  
 22 allocation area that are incurred by the redevelopment district  
 23 for the purpose of financing or refinancing the age-restricted  
 24 housing program established under section 59 of this chapter  
 25 for the allocation area.

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

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

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

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

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

41 (G) Reimburse the unit for expenditures made by the unit for  
 42 local public improvements (which include buildings, parking





1 facilities, and other items described in section 17(a) of this  
 2 chapter) that are physically located in or physically connected  
 3 to the allocation area.

4 (c) Notwithstanding section 26(b) of this chapter, the commission  
 5 shall, relative to the allocation fund established under section 26(b) of  
 6 this chapter for an allocation area for an age-restricted housing program  
 7 adopted under section 59 of this chapter, do the following before ~~July~~  
 8 † **June 15** of each year:

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

15 (A) make the distribution required under section 26(b)(2) of  
 16 this chapter;

17 (B) make, when due, principal and interest payments on bonds  
 18 described in section 26(b)(3) of this chapter;

19 (C) pay the amount necessary for other purposes described in  
 20 section 26(b)(3) of this chapter; and

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

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

30 (A) state the amount, if any, of excess property taxes that the  
 31 commission has determined may be paid to the respective  
 32 taxing units in the manner prescribed in section 26(b)(1) of  
 33 this chapter; or

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

37 The county auditor shall allocate to the respective taxing units the  
 38 amount, if any, of excess assessed value determined by the  
 39 commission.

40 SECTION 36. [EFFECTIVE JULY 1, 2016] (a) As used in this  
 41 SECTION, "political subdivision" has the meaning set forth in  
 42 IC 36-1-2-13.



1           **(b) The general assembly urges the legislative council to assign**  
2 **to an interim study committee during the 2016 legislative interim**  
3 **the study of the available procedures (if any) by which a political**  
4 **subdivision in a county may:**  
5           **(1) transfer the political subdivision's funds to another**  
6 **political subdivision located in the same county; and**  
7 **(2) transfer additional money from the political subdivision's**  
8 **other funds into the political subdivision's:**  
9           **(A) rainy day fund under IC 36-1-8-5.1; or**  
10           **(B) general operating fund.**  
11 **(c) This SECTION expires January 1, 2017.**  
12 **SECTION 37. An emergency is declared for this act.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 321, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 6, line 41, after "year" delete "before" and insert ",",

Page 6, line 42, delete "2018 and on or before July 1 of each year after 2017,".

Page 8, line 36, after "accounts." insert **"In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by which the political subdivision's distribution of property taxes will be reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year."**

and when so amended that said bill do pass.

(Reference is to SB 321 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

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 SENATE MOTION

Madam President: I move that Senate Bill 321 be amended to read as follows:

Page 31, delete lines 4 through 42, begin a new paragraph and insert:

"SECTION 25. IC 12-29-1-1, AS AMENDED BY P.L.117-2015, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to a community intellectual disability and other developmental disabilities center that is located or will be located in the county.

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(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a center.
- (2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). **For property taxes first due and payable before January 1, 2017**, the appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(d) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation for the purposes described in subsection (b) is equal to the result of:**

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.**

~~(d)~~ (e) For purposes of this subsection, "first calendar year" refers to the first calendar year after 2008 in which the county imposes an ad valorem property tax levy for the county general fund to provide financial assistance under this chapter. If a county did not provide financial assistance under this chapter in 2008, the county for a following calendar year:

- (1) may propose a financial assistance budget; and
- (2) shall refer its proposed financial assistance budget for the first calendar year to the department of local government finance before the tax levy is advertised.

The ad valorem property tax levy to fund the budget for the first calendar year is subject to review and approval under IC 6-1.1-18.5-10.

SECTION 26. IC 12-29-1-2, AS AMENDED BY P.L.117-2015, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) If a community intellectual disability and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes**



**first due and payable before January 1, 2017**, the appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by each county for the purposes described in section 1(b) of this chapter is equal to the result of:**

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year.**

SECTION 27. IC 12-29-1-3, AS AMENDED BY P.L.117-2015, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community intellectual disability and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by the county for the purposes described in section 1(b) of this chapter is equal to the result of:**

- (1) the maximum allowable appropriation by the county for the preceding year; multiplied by**
- (2) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year."**

Delete page 32.

Page 33, delete lines 1 through 5.



Page 33, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 29. IC 12-29-2-2, AS AMENDED BY P.L.153-2014, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

(2) Except as provided in subsection (c), for 2005 and each year thereafter, the result equal to:

(A) (1) the **maximum** amount that ~~was~~ **could have been** levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year, **as previously determined under this section by using the amount calculated under this section in 2004 as the base amount**; multiplied by

(B) (2) the ~~county's~~ assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

(c) This subsection applies only to property taxes first due and payable after December 31, 2007. This subsection applies only to a



county for which:

- (1) a county adjusted gross income tax rate is first imposed or is increased in a particular year under IC 6-3.5-1.1-24; or
- (2) a county option income tax rate is first imposed or is increased in a particular year under IC 6-3.5-6-30;

to provide property tax relief in the county. Notwithstanding any provision in this section or any other section of this chapter, for a county subject to this subsection, the county's maximum property tax levy under this section to fund the operation of community mental health centers for the ensuing calendar year is equal to the county's maximum property tax levy to fund the operation of community mental health centers for the current calendar year.

(d) Except as provided in subsection (h), the county shall pay to the division of mental health and addiction the part of the funding determined under subsection (b) that is appropriated solely for funding the operations of a community health center. The funding required under this section for operations of a community health center shall be paid by the county to the division of mental health and addiction. These funds shall be used solely for satisfying the non-federal share of medical assistance payments to community mental health centers serving the county for:

- (1) allowable administrative services; and
- (2) community mental health rehabilitation services.

All other funding appropriated for the purposes allowed under section 1.2(b)(1) of this chapter shall be paid by the county directly to the community mental health center semiannually at the times that the payments are made under subsection (e).

(e) The county shall appropriate and disburse the funds for operations semiannually not later than December 1 and June 1 in an amount equal to the amount determined under subsection (b) and requested in writing by the division of mental health and addiction. The total funding amount paid to the division of mental health and addiction for a county for each calendar year may not exceed the amount that is calculated in subsection (b) and set forth in writing by the division of mental health and addiction for the county. Funds paid to the division of mental health and addiction by the county shall be submitted by the county in a timely manner after receiving the written request from the division of mental health and addiction, to ensure current year compliance with the community mental health rehabilitation program and any administrative requirements of the program.

(f) The division of mental health and addiction shall ensure that the



non-federal share of funding received from a county under this program is applied only for matching federal funds for the designated community mental health centers to the extent a center is eligible to receive county funding under IC 12-21-2-3(5)(D).

(g) The division of mental health and addiction:

- (1) shall first apply state funding to a community mental health center's non-federal share of funding under this program; and
- (2) may next apply county funding received under this section to any remaining non-federal share of funding for the community mental health center.

The division shall distribute any excess state funds that exceed the community mental health rehabilitation services non-federal share applied to a community mental health center that is entitled to the excess state funds.

(h) The health and hospital corporation of Marion County created by IC 16-22-8-6 may make payments to the division for the operation of a community mental health center as described in this chapter."

Delete page 34.

Page 35, delete lines 1 through 25.

Page 37, after line 19, begin a new paragraph and insert:

"SECTION 31. IC 36-7-14-39, AS AMENDED BY P.L.87-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:

"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.

"Base assessed value" means the following:

- (1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:
  - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
  - (B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.
- (2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory





resolution establishing a redevelopment project area:

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

plus

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

(3) If:

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

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

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

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

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

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

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



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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) 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 on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of



the taxes attributable to the lesser of:

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

(B) the base assessed value;

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

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

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into 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 which 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 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), before ~~July 1~~ **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 allocated to the respective taxing units in the manner prescribed in subdivision (1).



(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective 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 redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

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

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

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

(g) 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 portion 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 has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund



and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for 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. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

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

- (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 (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and
- (3) may decrease base assessed value 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 an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

SECTION 32. IC 36-7-14-48, AS AMENDED BY P.L.87-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 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) of this chapter.

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

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those



individuals and families whose income is at or below the county's median income for individuals and families, respectively.

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

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

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

STEP ONE: Determine that part of the sum of the amounts 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:

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(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) of this chapter, the allocation fund established under section 39(b) 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 section 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

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

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

(1) 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:

(A) make the distribution required under section 39(b)(2) of this chapter;

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

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

(D) reimburse the county or municipality for anticipated



expenditures described in subsection (e)(2).

(2) 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:

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

(B) 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.

(3) If:

(A) 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 (1); plus

(B) the amount necessary for other purposes described in subdivision (1);

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 (2). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (2).

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-12-37) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in



installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

SECTION 33. IC 36-7-14-52, AS AMENDED BY P.L.87-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 52. (a) Notwithstanding section 39(a) 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) of this chapter.

(b) The allocation fund established under section 39(b) 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 chapter.

(G) Reimburse the unit for expenditures made by the unit 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 the allocation area.

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

(1) 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:

(A) make the distribution required under section 39(b)(2) of this chapter;

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

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

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

(2) 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:

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

(B) 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.

SECTION 34. IC 36-7-15.1-26, AS AMENDED BY P.L.87-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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



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

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

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

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

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

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) 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 resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or amendment that establishes an allocation provision must include a specific finding of fact, supported by evidence, that the adoption of the allocation provision will result in new property taxes in the area that would not have been generated but for the adoption of the allocation





provision. For an allocation area established before July 1, 1995, the expiration date of any allocation provisions for the allocation area is June 30, 2025, or the last date of any obligations that are outstanding on July 1, 2015, whichever is later. However, an expiration date imposed by this subsection does not apply to an allocation area identified as the Consolidated Allocation Area in the report submitted in 2013 to the fiscal body under section 36.3 of this chapter. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

or

(B) the base assessed value;

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

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



public question was conducted.

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

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

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

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

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

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

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

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

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

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

(i) in the allocation area; and

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



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

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

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

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

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

(4) Before ~~July~~ **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 provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).
- (B) Provide a written notice to the county auditor, the legislative body of the consolidated city, 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 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).

(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) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's 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 allocated to the respective taxing units in the manner prescribed in subdivision (1).

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

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

(d) Property tax proceeds allocable to the redevelopment district

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under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

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

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

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

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

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment



for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

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

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

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

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

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

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

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



a law that:

- (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
- (B) specifically designates a particular date as the final allocation deadline.

SECTION 35. IC 36-7-15.1-35, AS AMENDED BY P.L.87-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property within the allocation area.
- (4) The demolition of real property within the allocation area.
- (5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.
- (6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).
- (7) For property taxes first due and payable before 2009, to provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.



(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts 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) Except as provided in subsection (g), 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), by applying one-half (1/2) of the credit 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. 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)). 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 17.1 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 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 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 section 26(b)(3)(A) through 26(b)(3)(H) of this chapter.
- (2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

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

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before ~~July 1~~ **June 15** of each year:

- (1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area, 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:
  - (A) make the distribution required under section 26(b)(2) of this chapter;
  - (B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;
  - (C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and
  - (D) reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the legislative body of the consolidated city, 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:

- (A) 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 section 26(b)(1) of this chapter; or
- (B) 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 section 26(b)(1) of



this chapter.

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

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its repeal)) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2 (before its repeal)) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)).

SECTION 36. IC 36-7-15.1-53, AS AMENDED BY P.L.87-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in this section:

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

"Base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
- (2) to the extent that it is not included in subdivision (1), 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.

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

(b) A resolution adopted under section 40 of this chapter on or before the allocation deadline determined under subsection (i) 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 resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with



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

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

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

or

(B) the base assessed value;

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

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

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



be used by the redevelopment district only to do one (1) or more of the following:

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.
- (G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.
- (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
- (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
  - (i) in the allocation area; and
  - (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three



(3) years after the date on which the investments that are the basis for the increment financing are made.

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

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

(B) Provide a written notice to the county auditor, the 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 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).

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

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

(2) the base assessed value.



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

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

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

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

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

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



business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

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

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

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

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

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

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

(3) At least one (1) year before the date of an allocation deadline



determined under subdivision (2), the general assembly may enact a law that:

- (A) terminates the automatic extension of allocation deadlines under subdivision (2); and
- (B) specifically designates a particular date as the final allocation deadline.

SECTION 37. IC 36-7-15.1-62, AS AMENDED BY P.L.87-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) Notwithstanding section 26(a) 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 59 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 26(h) of this chapter.

(b) The allocation fund established under section 26(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 59 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 59 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 19 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 17.1 of this chapter.

(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the allocation fund established under section 26(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 59 of this chapter, do the following before ~~July~~ **June 15** of each year:

(1) 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:

(A) make the distribution required under section 26(b)(2) of this chapter;

(B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and

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

(2) 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:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of



this chapter; or

(B) 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.

**SECTION 38. An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

(Reference is to SB 321 as printed January 22, 2016.)

MILLER PETE

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#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 321, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, delete lines 29 through 42.

Delete page 3.

Page 4, delete lines 1 through 4.

Page 6, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-17-1, AS AMENDED BY P.L.137-2012, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) On or before August 1 of each year, the county auditor shall ~~send~~ **submit** a certified statement ~~under the seal of the board of county commissioners, of the assessed value for the ensuing year to the fiscal officer of each political subdivision of the county and the department of local government finance~~ **The statement must contain:**

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political



subdivision over the preceding three (3) budget years, adjusted according to procedures established by the department of local government finance to account for reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2;

(5) the amount of the political subdivision's net assessed valuation reduction determined under section 0.5(d) of this chapter;

(6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and

(7) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process:

**in the manner prescribed by the department.**

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) ~~(b)~~ The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision. **department of local government finance shall make the certified statement available on the department's computer gateway.**

~~(d)~~ **(c)** Subject to subsection ~~(e)~~; **(d)**, after the county auditor ~~sends~~ **submits** a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section ~~16(f)~~ **16(i)** of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall ~~send~~ **submit** a certified statement amended under this subsection ~~under the seal of the board of county commissioners;~~ to

(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance **in the manner prescribed by the department.**

~~(e)~~ **(d)** Except as provided in subsection ~~(f)~~; **(e)**, before the county auditor makes an amendment under subsection ~~(d)~~; **(c)**, the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give



notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

~~(f)~~ (e) The county auditor is not required to hold a public hearing under subsection ~~(e)~~ (d) if:

- (1) the amendment under subsection ~~(d)~~ (c) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;
- (2) the amendment under subsection ~~(d)~~ (c) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or
- (3) the county auditor determines that the amendment under subsection ~~(d)~~ (c) will not result in an increase in the tax rate or tax rates of the political subdivision.

**(f) Beginning in 2018, each county auditor shall submit to the department of local government finance parcel level data of certified net assessed values as required by the department. A county auditor shall submit the parcel level data in the manner and format required by the department and according to a schedule determined by the department."**

Delete page 7.

Page 8, delete lines 1 through 29.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 321 as reprinted January 29, 2016.)

BROWN T

Committee Vote: yeas 22, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 321 be amended to read as follows:

Page 69, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 36. [EFFECTIVE JULY 1, 2016] **(a) As used in this SECTION, "political subdivision" has the meaning set forth in IC 36-1-2-13.**

**(b) The general assembly urges the legislative council to assign**

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**to an interim study committee during the 2016 legislative interim the study of the available procedures (if any) by which a political subdivision in a county may:**

**(1) transfer the political subdivision's funds to another political subdivision located in the same county; and**

**(2) transfer additional money from the political subdivision's other funds into the political subdivision's:**

**(A) rainy day fund under IC 36-1-8-5.1; or**

**(B) general operating fund.**

**(c) This SECTION expires January 1, 2017."**

Renumber all SECTIONS consecutively.

(Reference is to ESB 321 as printed February 26, 2016.)

HARMAN

