

SENATE BILL No. 512

DIGEST OF INTRODUCED BILL

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

Synopsis: Tax increment financing districts. Provides that if a redevelopment commission outside Marion County wishes to establish a tax increment financing (TIF) area after December 31, 2017, a unit (county, city, town, or township) or school corporation that is located wholly or partly within a proposed TIF area may elect whether to participate in the TIF area. Provides that after December 31, 2017, each taxing unit that is located wholly or partly in a TIF area is bound by the terms of the TIF area until the TIF area expires, except for those units and school corporations that do not elect to participate in the TIF area.

Effective: January 1, 2018.

Bassler

January 17, 2017, read first time and referred to Committee on Local Government.



Introduced

First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

SENATE BILL No. 512

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

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

- 1 SECTION 1. IC 5-1.5-6.5-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 1. (a) The bank
3 shall establish and maintain:
4 (1) a capital principal fund, to be funded from appropriations
5 made to the fund by the general assembly and any other money
6 that the bank transfers to the fund; and
7 (2) a capital interest fund, to be funded from investment earnings
8 on the capital principal fund.
9 (b) The bank may use the funds only for programs for qualified
10 entities issuing securities for any of the following purposes:
11 (1) Sewage works.
12 (2) Waterworks.
13 (3) Parking facilities.
14 (4) Redevelopment projects financed with allocated property tax
15 proceeds under IC 36-7-14-39, **IC 36-7-14-39.8**, or
16 IC 36-7-15.1-26.
17 SECTION 2. IC 5-28-15-14, AS ADDED BY P.L.4-2005,

2017

IN 512—LS 6861/DI 113



1 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JANUARY 1, 2018]: Sec. 14. (a) A U.E.A. shall do the following:

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

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

- 12 (1) Initiate and coordinate any community development activities
13 that aid in the employment of zone residents, improve the
14 physical environment, or encourage the turnover or retention of
15 capital in the zone. These additional activities include but are not
16 limited to recommending to the municipality the manner and
17 purpose of expenditure of funds generated under
18 ~~IC 36-7-14-39(g)~~ **IC 36-7-14-39(h), IC 36-7-14-39.8(h)**, or
19 IC 36-7-15.1-26(g).
- 20 (2) Recommend that the board modify a zone boundary or
21 disqualify a zone business from eligibility for one (1) or more
22 benefits or incentives available to zone businesses.
- 23 (3) Incorporate as a nonprofit corporation. Such a corporation
24 may continue after the expiration of the zone in accordance with
25 the general principles established by this chapter. A U.E.A. that
26 incorporates as a nonprofit corporation under this subdivision
27 may purchase or receive real property from a redevelopment
28 commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.

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

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



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

6 SECTION 3. IC 6-1.1-12.1-2, AS AMENDED BY P.L.288-2013,
 7 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2018]: Sec. 2. (a) A designating body may find that a
 9 particular area within its jurisdiction is an economic revitalization area.
 10 However, the deduction provided by this chapter for economic
 11 revitalization areas not within a city or town shall not be available to
 12 retail businesses.

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

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

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

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

33 (B) evidencing significant building deficiencies.

34 (3) Parcels of property in the area:

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

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

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



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

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

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

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

11 (B) evidencing significant building deficiencies.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

32 SECTION 4. IC 6-1.1-20-1.6 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 1.6. As used in
 34 this chapter, "property taxes" means a property tax rate or levy to pay
 35 debt service or to pay lease rentals, but does not include taxes allocated
 36 for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9,
 37 IC 36-7-14-39, **IC 36-7-14-39.8**, IC 36-7-15.1-26, or IC 36-7-15.1-53.

38 SECTION 5. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008,
 39 SECTION 232, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2018]: Sec. 4. As used in this chapter,
 41 "base assessed value" means the base assessed value as that term is
 42 defined or used in:



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

20 SECTION 6. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008,
 21 SECTION 236, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JANUARY 1, 2018]: Sec. 7. As used in this chapter,
 23 "property taxes" means:

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

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



1 JANUARY 1, 2018]: Sec. 8. As used in this chapter, "special fund"
2 means:

- 3 (1) the special funds referred to in IC 6-1.1-39-5;
4 (2) the special funds referred to in IC 8-22-3.5-9(e);
5 (3) the allocation fund referred to in ~~IC 36-7-14-39(b)(3);~~
6 **IC 36-7-14-39(c)(3);**
7 **(4) the allocation fund referred to in IC 36-7-14-39.8(c)(3);**
8 ~~(4) (5) the allocation fund referred to in IC 36-7-14.5-12.5(d);~~
9 ~~(5) (6) the special fund referred to in IC 36-7-15.1-26(b)(3);~~
10 ~~(6) (7) the special fund referred to in IC 36-7-15.1-53(b)(3);~~
11 ~~(7) (8) the allocation fund referred to in IC 36-7-30-25(b)(3); or~~
12 ~~(8) (9) the allocation fund referred to in IC 36-7-30.5-30(b)(3).~~

13 SECTION 8. IC 36-1-7-15, AS AMENDED BY P.L.221-2007,
14 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2018]: Sec. 15. (a) As used in this section, "economic
16 development entity" means any of the following:

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

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

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

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

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

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

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



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

3 SECTION 9. IC 36-1-10-17 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 17. (a) A political
5 subdivision or agency that executes a lease under this chapter shall,
6 subject to subsection (d), make an annual appropriation and tax levy at
7 a rate to provide sufficient money to pay the rental payable from
8 property taxes stipulated in the lease.

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

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

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

21 SECTION 10. IC 36-7-14-3.5 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 3.5. (a) This
23 section applies whenever:

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

26 (2) a municipality establishes a redevelopment district;

27 after the county in which the municipality is located has established a
28 redevelopment district.

29 (b) This subsection applies whenever:

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

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

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



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

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

21 SECTION 11. IC 36-7-14-13, AS AMENDED BY P.L.204-2016,
 22 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JANUARY 1, 2018]: Sec. 13. (a) Not later than April 15 of each year,
 24 the redevelopment commissioners or their designees shall file with the
 25 unit's executive and fiscal body a report setting out their activities
 26 during the preceding calendar year.

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

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

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



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

- 4 (1) Revenues received.
- 5 (2) Expenses paid.
- 6 (3) Fund balances.
- 7 (4) The amount and maturity date for all outstanding obligations.
- 8 (5) The amount paid on outstanding obligations.
- 9 (6) A list of all the parcels included in each tax increment
 10 financing district allocation area and the base assessed value and
 11 incremental assessed value for each parcel in the list.

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

16 ~~(7)~~ **(8)** To the extent that the following information has not
 17 previously been provided to the department of local government
 18 finance:

- 19 (A) The year in which the tax increment financing district was
 20 established.
- 21 (B) The section of the Indiana Code under which the tax
 22 increment financing district was established.
- 23 (C) Whether the tax increment financing district is part of an
 24 area needing redevelopment, an economic development area,
 25 a redevelopment project area, or an urban renewal project
 26 area.
- 27 (D) If applicable, the year in which the boundaries of the tax
 28 increment financing district were changed and a description of
 29 those changes.
- 30 (E) The date on which the tax increment financing district will
 31 expire.
- 32 (F) A copy of each resolution adopted by the redevelopment
 33 commission that establishes or alters the tax increment
 34 financing district.

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

39 SECTION 12. IC 36-7-14-15.5, AS AMENDED BY P.L.119-2012,
 40 SECTION 206, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2018]: Sec. 15.5. (a) This section applies
 42 to a county having a population of more than two hundred fifty



1 thousand (250,000) but less than two hundred seventy thousand
2 (270,000).

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

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

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

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

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

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

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

37 (f) The declaratory resolution may include a provision with respect
38 to the allocation and distribution of property taxes with respect to one
39 (1) or more of the additional areas in the manner provided in section 39
40 **or 39.8** of this chapter. If the redevelopment commission includes such
41 a provision in the resolution, allocation areas in the redevelopment
42 project area and in the additional areas considered to be part of the



1 redevelopment project area shall be considered a single allocation area
 2 for purposes of this chapter.

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

7 (1) the county legislative body, for each additional area located
 8 within the unincorporated part of the county; or
 9 (2) the legislative body of the city or town affected, for each
 10 additional area located within a city or town.

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

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

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

28 SECTION 13. IC 36-7-14-17, AS AMENDED BY P.L.146-2008,
 29 SECTION 728, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JANUARY 1, 2018]: Sec. 17. (a) After receipt of the
 31 written order of approval of the plan commission and approval of the
 32 municipal legislative body or county executive, the redevelopment
 33 commission shall publish notice of the adoption and substance of the
 34 resolution in accordance with IC 5-3-1. The notice must:

35 (1) state that maps and plats have been prepared and can be
 36 inspected at the office of the department; and
 37 (2) name a date when the commission will:

38 (A) receive and hear remonstrances and objections from
 39 persons interested in or affected by the proceedings pertaining
 40 to the proposed project or other actions to be taken under the
 41 resolution; and
 42 (B) determine the public utility and benefit of the proposed



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

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

- 16 (1) authorize any construction on property or sewers in the area
 17 described in the resolution, including substantial modifications,
 18 rebuilding, conversion, enlargement, additions, and major
 19 structural improvements; or
 20 (2) take any action regarding the zoning or rezoning of property,
 21 or the opening, closing, or improvement of streets, alleys, or
 22 boulevards in the area described in the resolution.

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

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

- 31 (1) A copy of the notice required by subsection (a).
 32 (2) A statement disclosing the impact of the allocation area,
 33 including the following:
 34 (A) The estimated economic benefits and costs incurred by the
 35 allocation area, as measured by increased employment and
 36 anticipated growth of real property assessed values.
 37 (B) The anticipated impact on tax revenues of each taxing unit.

38 **If the resolution to be considered at the hearing includes a**
 39 **provision establishing or amending an allocation provision to**
 40 **which section 39 of this chapter applies,** the redevelopment
 41 commission shall file the information required by this subsection with
 42 the officers of the taxing unit who are authorized to fix budgets, tax



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

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

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

35 and

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

39 If the redevelopment commission adopts the resolution containing
40 the allocation provision as provided in subsection (e) and the
41 redevelopment commission's action becomes final, the allocation
42 provision as amended from time to time applies until the allocation



1 **provision terminates to each taxing unit wholly or partly located**
 2 **in the allocation area, except those units or school corporations**
 3 **that have not elected to be bound by the allocation provision.**

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

14 SECTION 14. IC 36-7-14-25.1, AS AMENDED BY P.L.149-2014,
 15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2018]: Sec. 25.1. (a) In addition to other methods of
 17 raising money for property acquisition or redevelopment in a
 18 redevelopment project area, and in anticipation of the special tax to be
 19 levied under section 27 of this chapter, the taxes allocated under
 20 section 39 or 39.8 of this chapter, or other revenues of the district, or
 21 any combination of these sources, the redevelopment commission may,
 22 by bond resolution and subject to subsections (c) and (p), issue the
 23 bonds of the special taxing district in the name of the unit. The amount
 24 of the bonds may not exceed the total, as estimated by the commission,
 25 of all expenses reasonably incurred in connection with the acquisition
 26 and redevelopment of the property, including:

- 27 (1) the total cost of all land, rights-of-way, and other property to
 28 be acquired and redeveloped;
- 29 (2) all reasonable and necessary architectural, engineering, legal,
 30 financing, accounting, advertising, bond discount, and
 31 supervisory expenses related to the acquisition and redevelopment
 32 of the property or the issuance of bonds;
- 33 (3) capitalized interest permitted by this chapter and a debt
 34 service reserve for the bonds to the extent the redevelopment
 35 commission determines that a reserve is reasonably required; and
- 36 (4) expenses that the redevelopment commission is required or
 37 permitted to pay under IC 8-23-17.

38 (b) If the redevelopment commission plans to acquire different
 39 parcels of land or let different contracts for redevelopment work at
 40 approximately the same time, whether under one (1) or more
 41 resolutions, the commission may provide for the total cost in one (1)
 42 issue of bonds.



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

- 10 (1) the denominations of the bonds;
 11 (2) the place or places at which the bonds are payable; and
 12 (3) the term of the bonds, which may not exceed:
 13 (A) fifty (50) years, for bonds issued before July 1, 2008;
 14 (B) thirty (30) years, for bonds issued after June 30, 2008, to
 15 finance:
 16 (i) an integrated coal gasification powerplant (as defined in
 17 IC 6-3.1-29-6);
 18 (ii) a part of an integrated coal gasification powerplant (as
 19 defined in IC 6-3.1-29-6); or
 20 (iii) property used in the operation or maintenance of an
 21 integrated coal gasification powerplant (as defined in
 22 IC 6-3.1-29-6);
 23 that received a certificate of public convenience and necessity
 24 from the Indiana utility regulatory commission under
 25 IC 8-1-8.5 et seq. before July 1, 2008; or
 26 (C) twenty-five (25) years, for bonds issued after June 30,
 27 2008, that are not described in clause (B).

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

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

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

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

39 (g) The municipal or county fiscal officer shall give notice of the
 40 sale of the bonds by publication in accordance with IC 5-3-1. The
 41 municipal fiscal officer, or county fiscal officer or executive, shall sell
 42 the bonds to the highest bidder, but may not sell them for less than



1 ninety-seven percent (97%) of their par value. However, bonds payable
 2 solely or in part from tax proceeds allocated under section ~~39(b)(3)~~
 3 **39(c)(3) or 39.8(c)(3)** of this chapter, or other revenues of the district
 4 may be sold at a private negotiated sale.

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

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

- 13 (1) from a special tax levied upon all of the property in the taxing
 14 district, as provided by section 27 of this chapter;
- 15 (2) from the tax proceeds allocated under section ~~39(b)(3)~~
 16 **39(c)(3) or 39.8(c)(3)** of this chapter;
- 17 (3) from other revenues available to the redevelopment
 18 commission; or
- 19 (4) from a combination of the methods stated in subdivisions (1)
 20 through (3).

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

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

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

38 (l) All laws relating to:

- 39 (1) the filing of petitions requesting the issuance of bonds; and
- 40 (2) the right of:
 - 41 (A) taxpayers and voters to remonstrate against the issuance of
 - 42 bonds in the case of a proposed bond issue described by



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



1 be issued without the approval of the legislative body of the unit.

2 SECTION 15. IC 36-7-14-25.2, AS AMENDED BY P.L.149-2014,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2018]: Sec. 25.2. (a) Subject to the prior approval of the
5 fiscal body of the unit under subsection (c), a redevelopment
6 commission may enter into a lease of any property that could be
7 financed with the proceeds of bonds issued under this chapter with a
8 lessor for a term not to exceed:

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

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

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

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

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

39 (d) Upon execution of a lease providing for payments by the
40 redevelopment commission in whole or in part from the levy of special
41 benefits taxes under section 27 of this chapter and upon approval of the
42 lease by the unit's fiscal body, the redevelopment commission shall



1 publish notice of the execution of the lease and its approval in
2 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
3 redevelopment district who will be affected by the lease and who may
4 be of the opinion that no necessity exists for the execution of the lease
5 or that the payments provided for in the lease are not fair and
6 reasonable may file a petition in the office of the county auditor within
7 thirty (30) days after the publication of the notice of execution and
8 approval. The petition must set forth the petitioners' names, addresses,
9 and objections to the lease and the facts showing that the execution of
10 the lease is unnecessary or unwise or that the payments provided for in
11 the lease are not fair and reasonable, as the case may be.

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

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

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

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

39 (h) Except as provided in this section, no approvals of any
40 governmental body or agency are required before the redevelopment
41 commission enters into a lease under this section.

42 (i) An action to contest the validity of the lease or to enjoin the



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

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

19 SECTION 16. IC 36-7-14-26, AS AMENDED BY P.L.203-2011,
 20 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2018]: Sec. 26. (a) All proceeds from the sale of bonds
 22 under section 25.1 of this chapter shall be kept as a separate and
 23 specific fund to pay the expenses incurred in connection with the
 24 acquisition and redevelopment of property. The fund shall be known as
 25 the redevelopment district capital fund. Any surplus of funds remaining
 26 after all expenses are paid shall be paid into and become a part of the
 27 redevelopment district bond fund established under section 27 of this
 28 chapter.

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

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

39 (d) A redevelopment commission shall deposit in the allocation fund
 40 established under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter
 41 of an allocation area the proceeds from the sale or leasing of property
 42 in the area under section 22 of this chapter if:



1 (1) there are outstanding bonds that were issued to pay costs of
2 redevelopment in the allocation area; and

3 (2) the bonds are payable solely or in part from tax proceeds
4 allocated under section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
5 chapter.

6 SECTION 17. IC 36-7-14-27, AS AMENDED BY P.L.149-2014,
7 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2018]: Sec. 27. (a) This section applies only to:

9 (1) bonds that are issued under section 25.1 of this chapter; and

10 (2) leases entered into under section 25.2 of this chapter;

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

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

34 (c) As the tax is collected, it shall be accumulated in a separate fund
35 to be known as the redevelopment district bond fund and shall be
36 applied to the payment of the bonds as they mature and the interest on
37 the bonds as it accrues, or to make lease payments and to no other
38 purpose. All accumulations of the fund before their use for the payment
39 of bonds and interest or to make lease payments shall be deposited with
40 the depository or depositories for other public funds of the unit in
41 accordance with IC 5-13, unless they are invested under IC 5-13-9.

42 (d) If there are no outstanding bonds that are payable solely or in



1 part from tax proceeds allocated under section ~~39(b)(3)~~ **39(c)(3) or**
 2 **39.8(c)(3)** of this chapter and that were issued to pay costs of
 3 redevelopment in an allocation area that is located wholly or in part in
 4 the special taxing district, then all proceeds from the sale or leasing of
 5 property in the allocation area under section 22 of this chapter shall be
 6 paid into the redevelopment district bond fund and become a part of
 7 that fund. In arriving at the tax levy for any year, the redevelopment
 8 commission shall take into account the amount of the proceeds
 9 deposited under this subsection and remaining on hand.

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

15 SECTION 18. IC 36-7-14-39, AS AMENDED BY THE
 16 TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL
 17 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JANUARY 1, 2018]: Sec. 39. **(a) This section applies only to an**
 19 **allocation area initially established before January 1, 2018, and all**
 20 **subsequent amendments to the allocation provision for the**
 21 **allocation area.**

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

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

27 "Base assessed value" means the following:

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

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

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

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



- 1 (A) the net assessed value of all the property as finally
 2 determined for the assessment date immediately **preceding**
 3 **the effective date of the allocation** provision of the
 4 declaratory resolution, as adjusted under subsection ~~(h)~~; **(i)**;
 5 plus
 6 (B) to the extent that it is not included in clause (A), the net
 7 assessed value of property that is assessed as residential
 8 property under the rules of the department of local government
 9 finance, as finally determined for any assessment date after the
 10 effective date of the allocation provision.
- 11 (3) If:
 12 (A) an allocation provision adopted before June 30, 1995, in
 13 a declaratory resolution or an amendment to a declaratory
 14 resolution establishing a redevelopment project area expires
 15 after June 30, 1997; and
 16 (B) after June 30, 1997, a new allocation provision is included
 17 in an amendment to the declaratory resolution;
 18 the net assessed value of all the property as finally determined for
 19 the assessment date immediately preceding the effective date of
 20 the allocation provision adopted after June 30, 1997, as adjusted
 21 under subsection ~~(h)~~; **(i)**.
- 22 (4) Except as provided in subdivision (5), for all other allocation
 23 areas, the net assessed value of all the property as finally
 24 determined for the assessment date immediately preceding the
 25 effective date of the allocation provision of the declaratory
 26 resolution, as adjusted under subsection ~~(h)~~; **(i)**.
- 27 (5) If an allocation area established in an economic development
 28 area before July 1, 1995, is expanded after June 30, 1995, the
 29 definition in subdivision (1) applies to the expanded part of the
 30 area added after June 30, 1995.
- 31 (6) If an allocation area established in a redevelopment project
 32 area before July 1, 1997, is expanded after June 30, 1997, the
 33 definition in subdivision (2) applies to the expanded part of the
 34 area added after June 30, 1997.
- 35 Except as provided in section 39.3 of this chapter, "property taxes"
 36 means taxes imposed under IC 6-1.1 on real property. However, upon
 37 approval by a resolution of the redevelopment commission adopted
 38 before June 1, 1987, "property taxes" also includes taxes imposed
 39 under IC 6-1.1 on depreciable personal property. If a redevelopment
 40 commission adopted before June 1, 1987, a resolution to include within
 41 the definition of property taxes, taxes imposed under IC 6-1.1 on
 42 depreciable personal property that has a useful life in excess of eight



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

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



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



1 public improvements (which include buildings, parking
2 facilities, and other items described in section 25.1(a) of this
3 chapter) that are physically located in or physically connected
4 to that allocation area.

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

9 (I) For property taxes first due and payable before January 1,
10 2009, pay all or a part of a property tax replacement credit to
11 taxpayers in an allocation area as determined by the
12 redevelopment commission. This credit equals the amount
13 determined under the following STEPS for each taxpayer in a
14 taxing district (as defined in IC 6-1.1-1-20) that contains all or
15 part of the allocation area:

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

21 STEP TWO: Divide:

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

27 (ii) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (i) the STEP TWO quotient; times

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

34 If not all the taxpayers in an allocation area receive the credit
35 in full, each taxpayer in the allocation area is entitled to
36 receive the same proportion of the credit. A taxpayer may not
37 receive a credit under this section and a credit under section
38 39.5 of this chapter (before its repeal) in the same year.

39 (J) Pay expenses incurred by the redevelopment commission
40 for local public improvements that are in the allocation area or
41 serving the allocation area. Public improvements include
42 buildings, parking facilities, and other items described in



1 section 25.1(a) of this chapter.
 2 (K) Reimburse public and private entities for expenses
 3 incurred in training employees of industrial facilities that are
 4 located:
 5 (i) in the allocation area; and
 6 (ii) on a parcel of real property that has been classified as
 7 industrial property under the rules of the department of local
 8 government finance.
 9 However, the total amount of money spent for this purpose in
 10 any year may not exceed the total amount of money in the
 11 allocation fund that is attributable to property taxes paid by the
 12 industrial facilities described in this clause. The
 13 reimbursements under this clause must be made within three
 14 (3) years after the date on which the investments that are the
 15 basis for the increment financing are made.
 16 (L) Pay the costs of carrying out an eligible efficiency project
 17 (as defined in IC 36-9-41-1.5) within the unit that established
 18 the redevelopment commission. However, property tax
 19 proceeds may be used under this clause to pay the costs of
 20 carrying out an eligible efficiency project only if those
 21 property tax proceeds exceed the amount necessary to do the
 22 following:
 23 (i) Make, when due, any payments required under clauses
 24 (A) through (K), including any payments of principal and
 25 interest on bonds and other obligations payable under this
 26 subdivision, any payments of premiums under this
 27 subdivision on the redemption before maturity of bonds, and
 28 any payments on leases payable under this subdivision.
 29 (ii) Make any reimbursements required under this
 30 subdivision.
 31 (iii) Pay any expenses required under this subdivision.
 32 (iv) Establish, augment, or restore any debt service reserve
 33 under this subdivision.
 34 (M) Expend money and provide financial assistance as
 35 authorized in section 12.2(a)(27) of this chapter.
 36 The allocation fund may not be used for operating expenses of the
 37 commission.
 38 (4) Except as provided in subsection ~~(g)~~, **(h)**, before June 15 of
 39 each year, the commission shall do the following:
 40 (A) Determine the amount, if any, by which the assessed value
 41 of the taxable property in the allocation area for the most
 42 recent assessment date minus the base assessed value, when



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

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

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

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

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

28 (C) If:

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

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

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



- 1 prescribed in subdivision (1).
- 2 ~~(e)~~ **(d)** For the purpose of allocating taxes levied by or for any taxing
 3 unit or units, the assessed value of taxable property in a territory in the
 4 allocation area that is annexed by any taxing unit after the effective
 5 date of the allocation provision of the declaratory resolution is the
 6 lesser of:
- 7 (1) the assessed value of the property for the assessment date with
 8 respect to which the allocation and distribution is made; or
 9 (2) the base assessed value.
- 10 ~~(d)~~ **(e)** Property tax proceeds allocable to the redevelopment district
 11 under subsection ~~(b)(3)~~ **(c)(3)** may, subject to subsection ~~(b)(4)~~; **(c)(4)**,
 12 be irrevocably pledged by the redevelopment district for payment as set
 13 forth in subsection ~~(b)(3)~~; **(c)(3)**.
- 14 ~~(e)~~ **(f)** Notwithstanding any other law, each assessor shall, upon
 15 petition of the redevelopment commission, reassess the taxable
 16 property situated upon or in, or added to, the allocation area, effective
 17 on the next assessment date after the petition.
- 18 ~~(f)~~ **(g)** Notwithstanding any other law, the assessed value of all
 19 taxable property in the allocation area, for purposes of tax limitation,
 20 property tax replacement, and formulation of the budget, tax rate, and
 21 tax levy for each political subdivision in which the property is located
 22 is the lesser of:
- 23 (1) the assessed value of the property as valued without regard to
 24 this section; or
 25 (2) the base assessed value.
- 26 ~~(g)~~ **(h)** If any part of the allocation area is located in an enterprise
 27 zone created under IC 5-28-15, the unit that designated the allocation
 28 area shall create funds as specified in this subsection. A unit that has
 29 obligations, bonds, or leases payable from allocated tax proceeds under
 30 subsection ~~(b)(3)~~ **(c)(3)** shall establish an allocation fund for the
 31 purposes specified in subsection ~~(b)(3)~~ **(c)(3)** and a special zone fund.
 32 Such a unit shall, until the end of the enterprise zone phase out period,
 33 deposit each year in the special zone fund any amount in the allocation
 34 fund derived from property tax proceeds in excess of those described
 35 in subsection ~~(b)(1)~~ **(c)(1)** and ~~(b)(2)~~ **(c)(2)** from property located in the
 36 enterprise zone that exceeds the amount sufficient for the purposes
 37 specified in subsection ~~(b)(3)~~ **(c)(3)** for the year. The amount sufficient
 38 for purposes specified in subsection ~~(b)(3)~~ **(c)(3)** for the year shall be
 39 determined based on the pro rata portion of such current property tax
 40 proceeds from the part of the enterprise zone that is within the
 41 allocation area as compared to all such current property tax proceeds
 42 derived from the allocation area. A unit that has no obligations, bonds,



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

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

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



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

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

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

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

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

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

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

21 SECTION 19. IC 36-7-14-39.2, AS AMENDED BY P.L.119-2012,
 22 SECTION 207, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2018]: Sec. 39.2. (a) This section applies
 24 to a county having a population of more than two hundred fifty
 25 thousand (250,000) but less than two hundred seventy thousand
 26 (270,000).

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

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



1 purposes of section 39 of this chapter, the term "base assessed value"
 2 with respect to the depreciable personal property of designated
 3 taxpayers means the net assessed value of all the depreciable personal
 4 property as finally determined for the assessment date immediately
 5 preceding:

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

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

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

11 SECTION 20. IC 36-7-14-39.3, AS AMENDED BY P.L.6-2012,
 12 SECTION 244, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JANUARY 1, 2018]: Sec. 39.3. (a) As used in this
 14 section, "depreciable personal property" refers to:

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

27 (2) a city redevelopment commission for a city;

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

31 SECTION 21. IC 36-7-14-39.8 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JANUARY 1, 2018]: **Sec. 39.8. (a) This section applies**
 34 **only to an allocation area initially established after December 31,**
 35 **2017, and all subsequent amendments to the allocation provision**
 36 **for the allocation area.**

37 **(b) The following definitions apply throughout this section:**

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

42 **(2) "Base assessed value", with respect to a specified**



- 1 participating taxing unit, means the following:
- 2 (A) If an allocation provision is adopted in a declaratory
- 3 resolution or an amendment to a declaratory resolution
- 4 establishing an economic development area:
- 5 (i) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately
- 7 preceding the effective date of the allocation provision of
- 8 the declaratory resolution, as adjusted under subsection
- 9 (i); plus
- 10 (ii) to the extent that it is not included in item (i), the net
- 11 assessed value of property that is assessed as residential
- 12 property under the rules of the department of local
- 13 government finance, as finally determined for any
- 14 assessment date after the effective date of the allocation
- 15 provision.
- 16 (B) If an allocation provision is adopted in a declaratory
- 17 resolution or an amendment to a declaratory resolution
- 18 establishing a redevelopment project area:
- 19 (i) the net assessed value of all the property as finally
- 20 determined for the assessment date immediately
- 21 preceding the effective date of the allocation provision of
- 22 the declaratory resolution, as adjusted under subsection
- 23 (i); plus
- 24 (ii) to the extent that it is not included in item (i), the net
- 25 assessed value of property that is assessed as residential
- 26 property under the rules of the department of local
- 27 government finance, as finally determined for any
- 28 assessment date after the effective date of the allocation
- 29 provision.
- 30 (C) For all other allocation areas, the net assessed value of
- 31 all the property as finally determined for the assessment
- 32 date immediately preceding the effective date of the
- 33 allocation provision of the declaratory resolution, as
- 34 adjusted under subsection (i).
- 35 (3) "Participating taxing unit" for an allocation area means
- 36 the following taxing units that are wholly or partly located in
- 37 the allocation area:
- 38 (A) A unit or school corporation that elects to be subject to
- 39 an allocation provision under section 17(d) of this chapter.
- 40 (B) A taxing unit that is not a unit or school corporation.
- 41 (4) Except as provided in section 39.3 of this chapter,
- 42 "property taxes" means taxes imposed under IC 6-1.1 on real



1 **property.**
2 **(c) A declaratory resolution adopted under section 15 of this**
3 **chapter on or before the allocation deadline determined under**
4 **subsection (j) may include a provision with respect to the allocation**
5 **and distribution of property taxes for the purposes and in the**
6 **manner provided in this section. A declaratory resolution**
7 **previously adopted may include an allocation provision by the**
8 **amendment of that declaratory resolution on or before the**
9 **allocation deadline determined under subsection (j) in accordance**
10 **with the procedures required for its original adoption. A**
11 **declaratory resolution or amendment that establishes an allocation**
12 **provision must include a specific finding of fact, supported by**
13 **evidence, that the adoption of the allocation provision will result in**
14 **new property taxes in the area that would not have been generated**
15 **but for the adoption of the allocation provision. A declaratory**
16 **resolution or an amendment that establishes an allocation**
17 **provision must specify an expiration date for the allocation**
18 **provision. The expiration date of an allocation area may not be**
19 **more than twenty-five (25) years after the date on which the first**
20 **obligation is incurred to pay principal and interest on bonds or**
21 **lease rentals on leases payable from tax increment revenues. The**
22 **allocation provision may apply to all or part of the redevelopment**
23 **project area. The allocation provision must require that any**
24 **property taxes subsequently levied by a participating taxing unit**
25 **for the benefit of the participating taxing unit or another public**
26 **body be allocated and distributed as follows:**
27 **(1) Except as otherwise provided in this section, for each**
28 **participating taxing unit, the proceeds of the taxes**
29 **attributable to the lesser of:**
30 **(A) the assessed value of the property in the participating**
31 **taxing unit for the assessment date with respect to which**
32 **the allocation and distribution is made; or**
33 **(B) the base assessed value of the participating taxing unit;**
34 **shall be allocated to and, when collected, paid into the funds**
35 **of the participating taxing unit.**
36 **(2) The excess of the proceeds of the property taxes imposed**
37 **for the assessment date with respect to which the allocation**
38 **and distribution is made that are attributable to taxes**
39 **imposed after being approved by the voters in a referendum**
40 **or local public question not otherwise included in subdivision**
41 **(1) shall be allocated to and, when collected, paid into the**
42 **funds of the participating taxing unit for which the**



1 referendum or local public question was conducted.

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

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

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

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

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

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

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

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

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

39 **(I) Pay expenses incurred by the redevelopment**
 40 **commission for local public improvements that are in the**
 41 **allocation area or serving the allocation area. Public**
 42 **improvements include buildings, parking facilities, and**



1 other items described in section 25.1(a) of this chapter.

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

5 (i) in the allocation area; and

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

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

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

23 (i) Make, when due, any payments required under
24 clauses (A) through (J), including any payments of
25 principal and interest on bonds and other obligations
26 payable under this subdivision, any payments of
27 premiums under this subdivision on the redemption
28 before maturity of bonds, and any payments on leases
29 payable under this subdivision.

30 (ii) Make any reimbursements required under this
31 subdivision.

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

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

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

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

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

41 (A) For each participating taxing unit, determine the
42 amount, if any, by which the assessed value of the taxable



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

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

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

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

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

34 (C) If:

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

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



1 the commission shall submit to the legislative body of the
 2 unit its determination of the excess assessed value that the
 3 commission proposes to allocate to the respective
 4 participating taxing units in the manner prescribed in
 5 subdivision (1). The legislative body of the unit may
 6 approve the commission's determination or modify the
 7 amount of the excess assessed value that will be allocated
 8 to the respective participating taxing units in the manner
 9 prescribed in subdivision (1).

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

- 15 (1) the assessed value of the property in the participating
 16 taxing unit for the assessment date with respect to which the
 17 allocation and distribution is made; or
 18 (2) the base assessed value of the participating taxing unit.

19 (e) Property tax proceeds allocable to the redevelopment district
 20 under subsection (c)(3) may, subject to subsection (c)(4), be
 21 irrevocably pledged by the redevelopment district for payment as
 22 set forth in subsection (c)(3).

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

27 (g) Notwithstanding any other law, for each participating taxing
 28 unit, the assessed value of all taxable property in the part of the
 29 participating taxing unit in the allocation area, for purposes of tax
 30 limitation, property tax replacement, and formulation of the
 31 budget, tax rate, and tax levy, is the lesser of:

- 32 (1) the assessed value of the property in the part of the
 33 participating taxing unit in the allocation area as valued
 34 without regard to this section; or
 35 (2) the base assessed value of the participating taxing unit.

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



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

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



1 redevelopment district under this section. However, the
2 adjustments under this subsection:

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

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

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

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

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

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

23 (2) Subject to subdivision (3), the initial allocation deadline
24 and subsequent allocation deadlines are automatically
25 extended in increments of five (5) years, so that allocation
26 deadlines after the initial allocation deadline fall on December
27 31, 2026, and December 31 of each fifth year thereafter.

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

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

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

35 SECTION 22. IC 36-7-14-45, AS ADDED BY P.L.154-2006,
36 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2018]: Sec. 45. (a) The commission may establish a
38 program for housing by resolution. The program, which may include
39 any relevant elements the commission considers appropriate, may be
40 adopted as part of a redevelopment plan or amendment to a
41 redevelopment plan, and must establish an allocation area for purposes
42 of sections section 39 or 39.8 of this chapter and section 48 of this



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

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

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

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

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

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

19 SECTION 23. IC 36-7-14-46, AS AMENDED BY P.L.149-2014,
 20 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2018]: Sec. 46. All the rights, powers, privileges, and
 22 immunities that may be exercised by the commission in blighted,
 23 deteriorated, or deteriorating areas may be exercised by the
 24 commission in implementing its program for housing, including the
 25 following:

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

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

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

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

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

40 SECTION 24. IC 36-7-14-48, AS AMENDED BY P.L.184-2016,
 41 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JANUARY 1, 2018]: Sec. 48. (a) Notwithstanding section ~~39(a)~~ **39(b)**



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

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

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

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

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

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

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

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

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

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

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



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

3 STEP TWO: Divide:

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

8 (B) the amount determined under STEP ONE.

9 STEP THREE: Multiply:

10 (A) the STEP TWO quotient; by

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

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

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

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

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

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

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

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

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



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



1 taxing units in the manner prescribed in subdivision (1).
 2 The county auditor shall allocate to the respective taxing units the
 3 amount, if any, of excess assessed value determined by the
 4 commission.

5 (3) If:
 6 (A) the amount of excess assessed value determined by the
 7 commission is expected to generate more than two hundred
 8 percent (200%) of the amount of allocated tax proceeds
 9 necessary to make, when due, principal and interest payments
 10 on bonds described in subdivision (1); plus

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

13 the commission shall submit to the legislative body of the unit its
 14 determination of the excess assessed value that the commission
 15 proposes to allocate to the respective taxing units in the manner
 16 prescribed in subdivision (2). The legislative body of the unit may
 17 approve the commission's determination or modify the amount of
 18 the excess assessed value that will be allocated to the respective
 19 taxing units in the manner prescribed in subdivision (2).

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

31 SECTION 25. IC 36-7-14-49, AS ADDED BY P.L.7-2013,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JANUARY 1, 2018]: Sec. 49. (a) A commission may adopt a resolution
 34 to establish a program for age-restricted housing. The program:

35 (1) must be limited to age-restricted housing that satisfies the
 36 requirements of 42 U.S.C. 3607 (the federal Housing for Older
 37 Persons Act);

38 (2) may include any relevant elements the commission considers
 39 appropriate;

40 (3) may be adopted as part of a redevelopment plan or an
 41 amendment to a redevelopment plan; and

42 (4) may establish an allocation area for purposes of ~~sections~~



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

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

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

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

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

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

16 SECTION 26. IC 36-7-14-50, AS AMENDED BY P.L.2-2014,
17 SECTION 120, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JANUARY 1, 2018]: Sec. 50. (a) Except as provided in
19 subsection (b), all the rights, powers, privileges, and immunities that
20 may be exercised by a commission in blighted, deteriorated, or
21 deteriorating areas may be exercised by a commission in implementing
22 its program for age-restricted housing, including the following:

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

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

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

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

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

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

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



1 JANUARY 1, 2018]: Sec. 52. (a) Notwithstanding section ~~39(a)~~ **39(b)**
 2 **or 39.8(b)** of this chapter, with respect to the allocation and
 3 distribution of property taxes for the accomplishment of the purposes
 4 of an age-restricted housing program adopted under section 49 of this
 5 chapter, "base assessed value" means the net assessed value of all of
 6 the property, other than personal property, as finally determined for the
 7 assessment date immediately preceding the effective date of the
 8 allocation provision, as adjusted under section ~~39(h)~~ **39(i) or 39.8(i)** of
 9 this chapter.

10 (b) The allocation fund established under section ~~39(b)~~ **39(c) or**
 11 **39.8(c)** of this chapter for the allocation area for an age-restricted
 12 housing program adopted under section 49 of this chapter may be used
 13 only for purposes related to the accomplishment of the purposes of the
 14 program, including, but not limited to, the following:

- 15 (1) The construction of any infrastructure (including streets,
 16 sidewalks, and sewers) or local public improvements in, serving,
 17 or benefiting the allocation area.
 18 (2) The acquisition of real property and interests in real property
 19 within the allocation area.
 20 (3) The preparation of real property in anticipation of
 21 development of the real property within the allocation area.
 22 (4) To do any of the following:
 23 (A) Pay the principal of and interest on bonds or any other
 24 obligations payable from allocated tax proceeds in the
 25 allocation area that are incurred by the redevelopment district
 26 for the purpose of financing or refinancing the age-restricted
 27 housing program established under section 49 of this chapter
 28 for the allocation area.
 29 (B) Establish, augment, or restore the debt service reserve for
 30 bonds payable solely or in part from allocated tax proceeds in
 31 the allocation area.
 32 (C) Pay the principal of and interest on bonds payable from
 33 allocated tax proceeds in the allocation area and from the
 34 special tax levied under section 27 of this chapter.
 35 (D) Pay the principal of and interest on bonds issued by the
 36 unit to pay for local public improvements that are physically
 37 located in or physically connected to the allocation area.
 38 (E) Pay premiums on the redemption before maturity of bonds
 39 payable solely or in part from allocated tax proceeds in the
 40 allocation area.
 41 (F) Make payments on leases payable from allocated tax
 42 proceeds in the allocation area under section 25.2 of this



- 1 chapter.
- 2 (G) Reimburse the unit for expenditures made by the unit for
- 3 local public improvements (which include buildings, parking
- 4 facilities, and other items described in section 25.1(a) of this
- 5 chapter) that are physically located in or physically connected
- 6 to the allocation area.
- 7 (c) Notwithstanding section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter,
- 8 the commission shall, relative to the allocation fund established under
- 9 section ~~39(b)~~ **39(c) or 39.8(c)** of this chapter for an allocation area for
- 10 an age-restricted housing program adopted under section 49 of this
- 11 chapter, do the following before June 15 of each year:
- 12 (1) Determine the amount, if any, by which the assessed value of
- 13 the taxable property in the allocation area for the most recent
- 14 assessment date minus the base assessed value, when multiplied
- 15 by the estimated tax rate of the allocation area, will exceed the
- 16 amount of assessed value needed to produce the property taxes
- 17 necessary to:
- 18 (A) make the distribution required under section ~~39(b)(2)~~
- 19 **39(c)(2) or 39.8(c)(2)** of this chapter;
- 20 (B) make, when due, principal and interest payments on bonds
- 21 described in section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this
- 22 chapter;
- 23 (C) pay the amount necessary for other purposes described in
- 24 section ~~39(b)(3)~~ **39(c)(3) or 39.8(c)(3)** of this chapter; and
- 25 (D) reimburse the county or municipality for anticipated
- 26 expenditures described in subsection (b)(2).
- 27 (2) Provide a written notice to the county auditor, the fiscal body
- 28 of the county or municipality that established the department of
- 29 redevelopment, the officers who are authorized to fix budgets, tax
- 30 rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 31 taxing units that is wholly or partly located within the allocation
- 32 area, and (in an electronic format) the department of local
- 33 government finance. The notice must:
- 34 (A) state the amount, if any, of excess property taxes that the
- 35 commission has determined may be paid to the respective
- 36 taxing units in the manner prescribed in section ~~39(b)(1)~~
- 37 **39(c)(1) or 39.8(c)(1)** of this chapter; or
- 38 (B) state that the commission has determined that there is no
- 39 excess assessed value that may be allocated to the respective
- 40 taxing units in the manner prescribed in subdivision (1).
- 41 The county auditor shall allocate to the respective taxing units the
- 42 amount, if any, of excess assessed value determined by the



1 commission.
 2 SECTION 28. IC 36-7-14.2-1, AS ADDED BY P.L.80-2014,
 3 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JANUARY 1, 2018]: Sec. 1. As used in this chapter, "property taxes"
 5 means:

- 6 (1) property taxes, as described in:
 7 (A) IC 6-1.1-39-5(g);
 8 (B) ~~IC 36-7-14-39(a)~~; **IC 36-7-14-39(b)**;
 9 **(C) IC 36-7-14-39.8(b)**;
 10 ~~(D)~~ **(D)** IC 36-7-14-39.2;
 11 ~~(E)~~ **(E)** IC 36-7-14-39.3(c);
 12 ~~(F)~~ **(F)** IC 36-7-14.5-12.5;
 13 ~~(G)~~ **(G)** IC 36-7-15.1-26(a);
 14 ~~(H)~~ **(H)** IC 36-7-15.1-26.2(c);
 15 ~~(I)~~ **(I)** IC 36-7-15.1-53(a);
 16 ~~(J)~~ **(J)** IC 36-7-15.1-55(c);
 17 ~~(K)~~ **(K)** IC 36-7-30-25(a)(3);
 18 ~~(L)~~ **(L)** IC 36-7-30-26(c);
 19 ~~(M)~~ **(M)** IC 36-7-30.5-30; or
 20 ~~(N)~~ **(N)** IC 36-7-30.5-31; and
 21 (2) for allocation areas created under IC 8-22-3.5, the taxes
 22 assessed on taxable tangible property in the allocation area.

23 SECTION 29. IC 36-7-14.5-12.5, AS AMENDED BY
 24 P.L.242-2015, SECTION 43, IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2018]: Sec. 12.5. (a) This
 26 section applies only to an authority in a county having a United States
 27 government military base that is scheduled for closing or is completely
 28 or partially inactive or closed.

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

- 31 (1) by following the procedures set forth in IC 36-7-14-41 for the
 32 establishment of an economic development area by a
 33 redevelopment commission; and
 34 (2) with the same effect as if the economic development area was
 35 created by a redevelopment commission.

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

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



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



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



1 (d) An authority may designate all or a portion of an economic
 2 development area created under this section as an allocation area by
 3 following the procedures set forth in IC 36-7-14-39 **or IC 36-7-14-39.8**
 4 for the establishment of an allocation area by a redevelopment
 5 commission. The allocation provision may modify the definition of
 6 "property taxes" under ~~IC 36-7-14-39(a)~~ **IC 36-7-14-39(b) or**
 7 **IC 36-7-14-39.8(b)** to include taxes imposed under IC 6-1.1 on the
 8 depreciable personal property located and taxable on the site of
 9 operations of designated taxpayers in accordance with the procedures
 10 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
 11 applies to such a modification. An allocation area established by an
 12 authority under this section is a special taxing district authorized by the
 13 general assembly to enable the unit to provide special benefits to
 14 taxpayers in the allocation area by promoting economic development
 15 that is of public use and benefit. For allocation areas established for an
 16 economic development area created under this section after June 30,
 17 1997, and to the expanded portion of an allocation area for an
 18 economic development area that was established before June 30, 1997,
 19 and that is expanded under this section after June 30, 1997, the net
 20 assessed value of property that is assessed as residential property under
 21 the rules of the department of local government finance, as finally
 22 determined for any assessment date, must be allocated. All of the
 23 provisions of IC 36-7-14-39 **or IC 36-7-14-39.8** apply to an allocation
 24 area created under this section, except that the authority shall be vested
 25 with the rights and duties of a commission as referenced in those
 26 sections, except that the expiration date of any allocation provision for
 27 the allocation area is the later of July 1, 2016, or the expiration date
 28 determined under ~~IC 36-7-14-39(b)~~; **IC 36-7-14-39(c) or**
 29 **IC 36-7-14-39.8(c)**, and except that, notwithstanding
 30 ~~IC 36-7-14-39(b)(3)~~; **IC 36-7-14-39(c)(3) or IC 36-7-14-39.8(c)(3)**,
 31 property tax proceeds paid into the allocation fund may be used by the
 32 authority only to do one (1) or more of the following:

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



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

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

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

9 (A) in the allocation area; and

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

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

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

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

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

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

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

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

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

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



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



1 statute governing the disposition of public property.

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

13 SECTION 30. IC 36-7-30-25, AS AMENDED BY P.L.95-2014,
14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2018]: Sec. 25. (a) The following definitions apply
16 throughout this section:

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

21 (2) "Base assessed value" means:

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

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

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

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

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

42 (b) A declaratory resolution adopted under section 10 of this chapter



1 before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c) or**
 2 **IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under
 3 IC 36-7-14-15 may include a provision with respect to the allocation
 4 and distribution of property taxes for the purposes and in the manner
 5 provided in this section. A declaratory resolution previously adopted
 6 may include an allocation provision by the amendment of that
 7 declaratory resolution in accordance with the procedures set forth in
 8 section 13 of this chapter. The allocation provision may apply to all or
 9 part of the military base reuse area. The allocation provision must
 10 require that any property taxes subsequently levied by or for the benefit
 11 of any 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 are 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 military base reuse district and, when
 32 collected, paid into an allocation fund for that allocation area that
 33 may be used by the military base reuse district and only to do one

34 (1) or more of the following:

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

40 (B) Establish, augment, or restore the debt service reserve for
 41 bonds payable solely or in part from allocated tax proceeds in
 42 that allocation area or from other revenues of the reuse



- 1 authority, including lease rental revenues.
 2 (C) Make payments on leases payable solely or in part from
 3 allocated tax proceeds in that allocation area.
 4 (D) Reimburse any other governmental body for expenditures
 5 made for local public improvements (or structures) in or
 6 directly serving or benefiting that allocation area.
 7 (E) Pay expenses incurred by the reuse authority, any other
 8 department of the unit, or a department of another
 9 governmental entity for local public improvements or
 10 structures that are in the allocation area or directly serving or
 11 benefiting the allocation area, including expenses for the
 12 operation and maintenance of these local public improvements
 13 or structures if the reuse authority determines those operation
 14 and maintenance expenses are necessary or desirable to carry
 15 out the purposes of this chapter.
 16 (F) Reimburse public and private entities for expenses
 17 incurred in training employees of industrial facilities that are
 18 located:
 19 (i) in the allocation area; and
 20 (ii) on a parcel of real property that has been classified as
 21 industrial property under the rules of the department of local
 22 government finance.
 23 However, the total amount of money spent for this purpose in
 24 any year may not exceed the total amount of money in the
 25 allocation fund that is attributable to property taxes paid by the
 26 industrial facilities described in this clause. The
 27 reimbursements under this clause must be made not more than
 28 three (3) years after the date on which the investments that are
 29 the basis for the increment financing are made.
 30 (G) Expend money and provide financial assistance as
 31 authorized in section 9(a)(25) of this chapter.
 32 Except as provided in clause (E), the allocation fund may not be
 33 used for operating expenses of the reuse authority.
 34 (4) Except as provided in subsection (g), before July 15 of each
 35 year the reuse authority shall do the following:
 36 (A) Determine the amount, if any, by which property taxes
 37 payable to the allocation fund in the following year will exceed
 38 the amount of property taxes necessary to make, when due,
 39 principal and interest payments on bonds described in
 40 subdivision (3) plus the amount necessary for other purposes
 41 described in subdivision (3).
 42 (B) Provide a written notice to the county auditor, the fiscal



1 body of the unit that established the reuse authority, and the
 2 officers who are authorized to fix budgets, tax rates, and tax
 3 levies under IC 6-1.1-17-5 for each of the other taxing units
 4 that is wholly or partly located within the allocation area. The
 5 notice must:

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

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

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

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

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

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

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

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



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

32 (h) After each general reassessment of real property in an area under
33 IC 6-1.1-4-4 or reassessment under the county's reassessment plan
34 under IC 6-1.1-4-4.2, the department of local government finance shall
35 adjust the base assessed value one (1) time to neutralize any effect of
36 the reassessment of the real property in the area on the property tax
37 proceeds allocated to the military base reuse district under this section.
38 After each annual adjustment under IC 6-1.1-4-4.5, the department of
39 local government finance shall adjust the base assessed value to
40 neutralize any effect of the annual adjustment on the property tax
41 proceeds allocated to the military base reuse district under this section.
42 However, the adjustments under this subsection may not include the



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

9 SECTION 31. IC 36-7-30.5-30, AS AMENDED BY P.L.95-2014,
 10 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2018]: Sec. 30. (a) The following definitions apply
 12 throughout this section:

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

17 (2) "Base assessed value" means:

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

22 (B) to the extent that it is not included in clause (A) or (C), the
 23 net assessed value of any and all parcels or classes of parcels
 24 identified as part of the base assessed value in the declaratory
 25 resolution or an amendment to the declaratory resolution, as
 26 finally determined for any subsequent assessment date; plus
 27 (C) to the extent that it is not included in clause (A) or (B), the
 28 net assessed value of property that is assessed as residential
 29 property under the rules of the department of local government
 30 finance, as finally determined for any assessment date after the
 31 effective date of the allocation provision.

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

34 (b) A declaratory resolution adopted under section 16 of this chapter
 35 before the date set forth in ~~IC 36-7-14-39(b)~~ **IC 36-7-14-39(c) or**
 36 **IC 36-7-14-39.8(c)** pertaining to declaratory resolutions adopted under
 37 IC 36-7-14-15 may include a provision with respect to the allocation
 38 and distribution of property taxes for the purposes and in the manner
 39 provided in this section. A declaratory resolution previously adopted
 40 may include an allocation provision by the amendment of that
 41 declaratory resolution in accordance with the procedures set forth in
 42 section 18 of this chapter. The allocation provision may apply to all or



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

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

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

11 (B) the base assessed value;

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

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

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

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

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

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

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

42 (E) For property taxes first due and payable before 2009, pay



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

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

12 STEP TWO: Divide:

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

19 STEP THREE: Multiply:

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

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

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

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

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

41 However, the total amount of money spent for this purpose in
 42 any year may not exceed the total amount of money in the



1 allocation fund that is attributable to property taxes paid by the
 2 industrial facilities described in this clause. The
 3 reimbursements under this clause must be made not more than
 4 three (3) years after the date on which the investments that are
 5 the basis for the increment financing are made.

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

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

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

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

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

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

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

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

41 (c) For the purpose of allocating taxes levied by or for any taxing
 42 unit or units, the assessed value of taxable property in a territory in the



1 allocation area that is annexed by a taxing unit after the effective date
2 of the allocation provision of the declaratory resolution is the lesser of:

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

5 (2) the base assessed value.

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

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

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

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

21 (2) the base assessed value.

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



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

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

