



February 22, 2010

**ENGROSSED
SENATE BILL No. 239**

DIGEST OF SB 239 (Updated February 18, 2010 1:03 pm - DI 92)

Citations Affected: IC 6-1.1; IC 6-1.5; IC 6-7; IC 8-22; IC 20-46; IC 36-1; IC 36-1.5; IC 36-2; IC 36-3; IC 36-4; IC 36-5; IC 36-6; IC 36-7; IC 36-9; noncode.

Synopsis: Property tax matters. Requires trending adjustments to real property assessments every two years instead of annually. Requires an assessor who proposes to change elements of assessment methodology used in the assessment of real property before application of an annual adjustment to document the different assessment methodology and quantify the change in the assessed value of the parcel resulting from the different assessment methodology and the change in assessed value resulting from the annual adjustment. Provides that for purposes of the standard deduction and other property tax laws, the term "homestead" includes a deck or patio; a gazebo; or another residential yard structure (other than a swimming pool); that is assessed as real property and that is attached to the dwelling. Provides that fiscal year budgeting is optional for school corporations. Requires the governing body of a school corporation that adopts a resolution to conduct a referendum for a tax levy to certify the resolution to both the department of local
(Continued next page)

Effective: Upon passage; January 1, 2008 (retroactive); June 30, 2009 (retroactive); January 1, 2010 (retroactive); January 1, 2010 (retroactive); July 1, 2010.

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**Hershman, Walker, Buck, Randolph,
Hume**

(HOUSE SPONSORS — WELCH, ESPICH, CLEMENTS)

January 11, 2010, read first time and referred to Committee on Tax and Fiscal Policy.
January 28, 2010, amended, reported favorably — Do Pass.
February 1, 2010, read second time, amended, ordered engrossed.
February 2, 2010, engrossed. Read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 8, 2010, read first time and referred to Committee on Ways and Means.
February 22, 2010, amended, reported — Do Pass.

ES 239—LS 6929/DI 73+



government finance and the county fiscal body of each county in which the school corporation is located. (Current law does not require the governing body to certify the resolution to the department of local government finance.) Reduces from two to one the number of property owners that must be on the board of an economic improvement district when there is only one property owner in the district. Eliminates language that specified that assessments in an economic improvement district are property taxes for the purposes of applying Section 164 of the Internal Revenue Code and other purposes. For purposes of providing substantiation of the deductibility of a special assessment for federal adjusted gross income tax purposes under Section 164 of the Internal Revenue Code, requires the property tax statement that includes an assessment for an economic improvement district to segregate the part of the assessment that is allocable to interest, maintenance, and repair charges from the remainder of the assessment. Provides that the statute passed in the 2009 special session that allowed certain entities to file or refile an application for a charitable property tax exemption for an assessment date occurring after March 1, 2000, and before March 1, 2010, applies only to entities that are owned, occupied, and used as nonprofit entities. Permits money in a cumulative capital improvement fund of a city or town to be used for any governmental purpose for which money is appropriated by the fiscal body of the city or town. Allows a city or town to reclassify certain loans from one fund to another as a permanent transfer. Provides that annexations, governmental reorganizations, municipal mergers, town incorporations, municipal dissolutions, governmental name changes, or boundary alterations that would otherwise become effective under current law on January 2 of the year in which a federal decennial census is conducted shall instead become effective on January 1 of the year in which the federal decennial census is conducted. Provides that any action that was effective January 2, 2010, under current law is instead effective on January 1, 2010, without the adoption of an amended ordinance or reorganization plan or any additional action. Provides that if a controlled project of a political subdivision is subject to a referendum vote, the county election board must submit the referendum language to the department of local government finance for review and approval. Requires the department of local government finance to review the referendum language to ensure that the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. Requires a political subdivision to give notice to the circuit court clerk of the applicability of the petition and remonstrance process or the referendum process. Specifies deadlines for certification of the question for a referendum tax levy. Provides for a re-filing of a property tax exemption for 2008 and 2009, if the real property is owned by a taxpayer that filed for the property tax exemption after January 15, 2010, and before January 25, 2010, the real property was leased to the bureau of motor vehicles commission during 2008 and 2009, and the real property received an exemption from real property taxes for the 2006 or 2007 assessment date. Provides that upon request by a county assessor, an employee of the Indiana board of tax review may assist taxpayers and local officials in their attempts to voluntarily resolve disputes in which: (1) a taxpayer has filed written notice to obtain a review by the county property tax assessment board of appeals of an action by a township or county official; and (2) the county property tax assessment board of appeals has not given written notice of its decision on the issues under review. Amends a city budget statute to conform to deadlines changed in 2009.

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February 22, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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ENGROSSED SENATE BILL No. 239

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

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

1 SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4.5. (a) The department
4 of local government finance shall adopt rules establishing a system for:
5 (1) annually adjusting the assessed value of real property for
6 **assessment dates that precede 2012; and**
7 (2) **adjusting the assessed value of real property for:**
8 (A) **the assessment date in 2014; and**
9 (B) **the assessment date in every second year after 2014;**
10 to account for changes in value in those years since a general
11 reassessment of property last took effect.
12 (b) Subject to subsection (e), the system must be applied to adjust
13 assessed values ~~beginning with the 2006 assessment date and each year~~
14 ~~thereafter that is not in the years designated in subsection (a) other~~
15 **than** a year in which a reassessment becomes effective.

ES 239—LS 6929/DI 73+



- 1 (c) The rules adopted under subsection (a) must include the
- 2 following characteristics in the system:
- 3 (1) Promote uniform and equal assessment of real property within
- 4 and across classifications.
- 5 (2) Require that assessing officials:
- 6 (A) reevaluate the factors that affect value;
- 7 (B) express the interactions of those factors mathematically;
- 8 (C) use mass appraisal techniques to estimate updated property
- 9 values within statistical measures of accuracy; and
- 10 (D) provide notice to taxpayers of an assessment increase that
- 11 results from the application of ~~annual~~ adjustments.
- 12 (3) Prescribe procedures that permit the application of the
- 13 adjustment percentages in an efficient manner by assessing
- 14 officials.
- 15 (d) The department of local government finance must review and
- 16 certify each ~~annual~~ adjustment determined under this section.
- 17 (e) In making the ~~annual~~ determination of the base rate to satisfy the
- 18 requirement for an ~~annual~~ adjustment under subsection (a) the
- 19 department of local government finance shall determine the base rate
- 20 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of
- 21 the department of local government finance's Real Property Assessment
- 22 Guidelines (as in effect on January 1, 2005), except that the department
- 23 shall adjust the methodology to use a six (6) year rolling average
- 24 instead of a four (4) year rolling average.
- 25 (f) For assessment dates after December 31, 2009, an adjustment in
- 26 the assessed value of real property under this section shall be based on
- 27 the estimated true tax value of the property on the assessment date that
- 28 is the basis for taxes payable on that real property.
- 29 **(g) This subsection applies if for an assessment date for which**
- 30 **an adjustment is applied under this section the township assessor,**
- 31 **or the county assessor if there is no township assessor for the**
- 32 **township, proposes to apply in the determination of the assessed**
- 33 **value of a parcel that would apply if there were no adjustment**
- 34 **under this section any element of assessment methodology that is**
- 35 **different from the assessment methodology used in the**
- 36 **determination of the assessed value of the parcel for the**
- 37 **immediately preceding assessment date. The assessor must:**
- 38 **(1) document the different assessment methodology; and**
- 39 **(2) quantify:**
- 40 **(A) the change in the assessed value of the parcel resulting**
- 41 **from the different assessment methodology; and**
- 42 **(B) the change in assessed value resulting from the**

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adjustment under this section.

SECTION 2. IC 6-1.1-4-4.6, AS ADDED BY P.L.182-2009(ss), SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4.6. (a) If a county assessor fails before July 2 of a particular year **for which an adjustment to the assessed value of real property applies under section 4.5 of this chapter** to prepare and deliver to the county auditor a complete detailed list of all of the real property listed for taxation in the county as required by IC 6-1.1-5-14 and at least one hundred eighty (180) days have elapsed after the July 1 deadline specified in IC 6-1.1-5-14 for delivering the list, the department of local government finance may develop ~~annual~~ adjustment factors under this section for that year. In developing ~~annual~~ adjustment factors under this section, the department of local government finance shall use data in its possession that is obtained from:

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

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

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

- (1) the assessment date; and
- (2) the real property;

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

SECTION 3. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 16. (a) For purposes of making a general reassessment of real property or ~~annual~~ adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

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- 1 (1) deputies;
- 2 (2) employees; and
- 3 (3) technical advisors who are:
 - 4 (A) qualified to determine real property values;
 - 5 (B) professional appraisers certified under 50 IAC 15; and
 - 6 (C) employed either on a full-time or a part-time basis, subject
 - 7 to sections 18.5 and 19.5 of this chapter.
- 8 (b) The county council of each county shall appropriate the funds
- 9 necessary for the employment of deputies, employees, or technical
- 10 advisors employed under subsection (a) of this section.
- 11 SECTION 4. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
- 12 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 13 JULY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish
- 14 a property reassessment fund. The county treasurer shall deposit all
- 15 collections resulting from the property taxes that the county levies for
- 16 the county's property reassessment fund.
- 17 (b) With respect to the general reassessment of real property that is
- 18 to commence on July 1, 2009, the county council of each county shall,
- 19 for property taxes due in 2006, 2007, 2008, and 2009, levy in each year
- 20 against all the taxable property in the county an amount equal to
- 21 one-fourth (1/4) of the remainder of:
 - 22 (1) the estimated costs referred to in section 28.5(a) of this
 - 23 chapter; minus
 - 24 (2) the amount levied under this section by the county council for
 - 25 property taxes due in 2004 and 2005.
- 26 (c) With respect to a general reassessment of real property that is to
- 27 commence on July 1, 2014, and each fifth year thereafter, the county
- 28 council of each county shall, for property taxes due in the year that the
- 29 general reassessment is to commence and the four (4) years preceding
- 30 that year, levy against all the taxable property in the county an amount
- 31 equal to one-fifth (1/5) of the estimated costs of the general
- 32 reassessment under section 28.5 of this chapter.
- 33 (d) The department of local government finance shall give to each
- 34 county council notice, before January 1 in a year, of the tax levies
- 35 required by this section for that year.
- 36 (e) The department of local government finance may raise or lower
- 37 the property tax levy under this section for a year if the department
- 38 determines it is appropriate because the estimated cost of:
 - 39 (1) a general reassessment; or
 - 40 (2) making ~~annual~~ adjustments under section 4.5 of this chapter;
 - 41 has changed.
- 42 (f) The county assessor may petition the county fiscal body to

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- 1 increase the levy under subsection (b) or (c) to pay for the costs of:
- 2 (1) a general reassessment;
- 3 (2) verification under 50 IAC 21-3-2 of sales disclosure forms
- 4 forwarded to the county assessor under IC 6-1.1-5.5-3; or
- 5 (3) processing ~~annual~~ adjustments under section 4.5 of this
- 6 chapter.

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

9 (g) If the county fiscal body denies a petition under subsection (f),
10 the county assessor may appeal to the department of local government
11 finance. The department of local government finance shall:

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

14 SECTION 5. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,
15 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2010]: Sec. 28.5. (a) Money assigned to a property
17 reassessment fund under section 27.5 of this chapter may be used only
18 to pay the costs of:

- 19 (1) the general reassessment of real property, including the
- 20 computerization of assessment records;
- 21 (2) payments to assessing officials and hearing officers for county
- 22 property tax assessment boards of appeals under IC 6-1.1-35.2;
- 23 (3) the development or updating of detailed soil survey data by
- 24 the United States Department of Agriculture or its successor
- 25 agency;
- 26 (4) the updating of plat books;
- 27 (5) payments for the salary of permanent staff or for the
- 28 contractual services of temporary staff who are necessary to assist
- 29 assessing officials;
- 30 (6) making ~~annual~~ adjustments under section 4.5 of this chapter;
- 31 and
- 32 (7) the verification under 50 IAC 21-3-2 of sales disclosure forms
- 33 forwarded to:
- 34 (A) the county assessor; or
- 35 (B) township assessors (if any);
- 36 under IC 6-1.1-5.5-3.

37 Money in a property tax reassessment fund may not be transferred or
38 reassigned to any other fund and may not be used for any purposes
39 other than those set forth in this section.

40 (b) All counties shall use modern, detailed soil maps in the general
41 reassessment of agricultural land.

42 (c) The county treasurer of each county shall, in accordance with

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1 IC 5-13-9, invest any money accumulated in the property reassessment
 2 fund. Any interest received from investment of the money shall be paid
 3 into the property reassessment fund.
 4 (d) An appropriation under this section must be approved by the
 5 fiscal body of the county after the review and recommendation of the
 6 county assessor. However, in a county with a township assessor in
 7 every township, the county assessor does not review an appropriation
 8 under this section, and only the fiscal body must approve an
 9 appropriation under this section.
 10 SECTION 6. IC 6-1.1-12-37, AS AMENDED BY P.L.182-2009(ss),
 11 SECTION 110, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2010]: Sec. 37. (a) The following definitions
 13 apply throughout this section:
 14 (1) "Dwelling" means any of the following:
 15 (A) Residential real property improvements that an individual
 16 uses as the individual's residence, including a house or garage.
 17 (B) A mobile home that is not assessed as real property that an
 18 individual uses as the individual's residence.
 19 (C) A manufactured home that is not assessed as real property
 20 that an individual uses as the individual's residence.
 21 (2) "Homestead" means an individual's principal place of
 22 residence:
 23 (A) that is located in Indiana;
 24 (B) that:
 25 (i) the individual owns;
 26 (ii) the individual is buying under a contract, recorded in the
 27 county recorder's office, that provides that the individual is
 28 to pay the property taxes on the residence;
 29 (iii) the individual is entitled to occupy as a
 30 tenant-stockholder (as defined in 26 U.S.C. 216) of a
 31 cooperative housing corporation (as defined in 26 U.S.C.
 32 216); or
 33 (iv) is a residence described in section 17.9 of this chapter
 34 that is owned by a trust if the individual is an individual
 35 described in section 17.9 of this chapter; and
 36 (C) that consists of a dwelling and the real estate, not
 37 exceeding one (1) acre, that immediately surrounds that
 38 dwelling.
 39 Except as provided in subsection (k), the term does not include
 40 property owned by a corporation, partnership, limited liability
 41 company, or other entity not described in this subdivision.
 42 (b) Each year a homestead is eligible for a standard deduction from

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1 the assessed value of the homestead for an assessment date. The
 2 deduction provided by this section applies to property taxes first due
 3 and payable for an assessment date only if an individual has an interest
 4 in the homestead described in subsection (a)(2)(B) on:

5 (1) the assessment date; or

6 (2) any date in the same year after an assessment date that a
 7 statement is filed under subsection (e) or section 44 of this
 8 chapter, if the property consists of real property.

9 Subject to subsection (c), the auditor of the county shall record and
 10 make the deduction for the individual or entity qualifying for the
 11 deduction.

12 (c) Except as provided in section 40.5 of this chapter, the total
 13 amount of the deduction that a person may receive under this section
 14 for a particular year is the lesser of:

15 (1) sixty percent (60%) of the assessed value of the real property,
 16 mobile home not assessed as real property, or manufactured home
 17 not assessed as real property; or

18 (2) forty-five thousand dollars (\$45,000).

19 (d) A person who has sold real property, a mobile home not assessed
 20 as real property, or a manufactured home not assessed as real property
 21 to another person under a contract that provides that the contract buyer
 22 is to pay the property taxes on the real property, mobile home, or
 23 manufactured home may not claim the deduction provided under this
 24 section with respect to that real property, mobile home, or
 25 manufactured home.

26 (e) Except as provided in sections 17.8 and 44 of this chapter and
 27 subject to section 45 of this chapter, an individual who desires to claim
 28 the deduction provided by this section must file a certified statement in
 29 duplicate, on forms prescribed by the department of local government
 30 finance, with the auditor of the county in which the homestead is
 31 located. The statement must include:

32 (1) the parcel number or key number of the property and the name
 33 of the city, town, or township in which the property is located;

34 (2) the name of any other location in which the applicant or the
 35 applicant's spouse owns, is buying, or has a beneficial interest in
 36 residential real property;

37 (3) the names of:

38 (A) the applicant and the applicant's spouse (if any):

39 (i) as the names appear in the records of the United States
 40 Social Security Administration for the purposes of the
 41 issuance of a Social Security card and Social Security
 42 number; or

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- 1 (ii) that they use as their legal names when they sign their
- 2 names on legal documents;
- 3 if the applicant is an individual; or
- 4 (B) each individual who qualifies property as a homestead
- 5 under subsection (a)(2)(B) and the individual's spouse (if any):
- 6 (i) as the names appear in the records of the United States
- 7 Social Security Administration for the purposes of the
- 8 issuance of a Social Security card and Social Security
- 9 number; or
- 10 (ii) that they use as their legal names when they sign their
- 11 names on legal documents;
- 12 if the applicant is not an individual; and
- 13 (4) either:
- 14 (A) the last five (5) digits of the applicant's Social Security
- 15 number and the last five (5) digits of the Social Security
- 16 number of the applicant's spouse (if any); or
- 17 (B) if the applicant or the applicant's spouse (if any) do not
- 18 have a Social Security number, any of the following for that
- 19 individual:
- 20 (i) The last five (5) digits of the individual's driver's license
- 21 number.
- 22 (ii) The last five (5) digits of the individual's state
- 23 identification card number.
- 24 (iii) If the individual does not have a driver's license or a
- 25 state identification card, the last five (5) digits of a control
- 26 number that is on a document issued to the individual by the
- 27 federal government and determined by the department of
- 28 local government finance to be acceptable.

29 If a form or statement provided to the county auditor under this section,
 30 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 31 part or all of the Social Security number of a party or other number
 32 described in subdivision (4)(B) of a party, the telephone number and
 33 the Social Security number or other number described in subdivision
 34 (4)(B) included are confidential. The statement may be filed in person
 35 or by mail. If the statement is mailed, the mailing must be postmarked
 36 on or before the last day for filing. The statement applies for that first
 37 year and any succeeding year for which the deduction is allowed. With
 38 respect to real property, the statement must be completed and dated in
 39 the calendar year for which the person desires to obtain the deduction
 40 and filed with the county auditor on or before January 5 of the
 41 immediately succeeding calendar year. With respect to a mobile home
 42 that is not assessed as real property, the person must file the statement

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1 during the twelve (12) months before March 31 of the year for which
 2 the person desires to obtain the deduction.

3 (f) If an individual who is receiving the deduction provided by this
 4 section or who otherwise qualifies property for a deduction under this
 5 section:

6 (1) changes the use of the individual's property so that part or all
 7 of the property no longer qualifies for the deduction under this
 8 section; or

9 (2) is no longer eligible for a deduction under this section on
 10 another parcel of property because:

11 (A) the individual would otherwise receive the benefit of more
 12 than one (1) deduction under this chapter; or

13 (B) the individual maintains the individual's principal place of
 14 residence with another individual who receives a deduction
 15 under this section;

16 the individual must file a certified statement with the auditor of the
 17 county, notifying the auditor of the change of use, not more than sixty
 18 (60) days after the date of that change. An individual who fails to file
 19 the statement required by this subsection is liable for any additional
 20 taxes that would have been due on the property if the individual had
 21 filed the statement as required by this subsection plus a civil penalty
 22 equal to ten percent (10%) of the additional taxes due. The civil penalty
 23 imposed under this subsection is in addition to any interest and
 24 penalties for a delinquent payment that might otherwise be due. One
 25 percent (1%) of the total civil penalty collected under this subsection
 26 shall be transferred by the county to the department of local
 27 government finance for use by the department in establishing and
 28 maintaining the homestead property data base under subsection (i) and,
 29 to the extent there is money remaining, for any other purposes of the
 30 department. This amount becomes part of the property tax liability for
 31 purposes of this article.

32 (g) The department of local government finance shall adopt rules or
 33 guidelines concerning the application for a deduction under this
 34 section.

35 (h) This subsection does not apply to property in the first year for
 36 which a deduction is claimed under this section if the sole reason that
 37 a deduction is claimed on other property is that the individual or
 38 married couple maintained a principal residence at the other property
 39 on March 1 in the same year in which an application for a deduction is
 40 filed under this section or, if the application is for a homestead that is
 41 assessed as personal property, on March 1 in the immediately
 42 preceding year and the individual or married couple is moving the

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1 individual's or married couple's principal residence to the property that
 2 is the subject of the application. The county auditor may not grant an
 3 individual or a married couple a deduction under this section if:

4 (1) the individual or married couple, for the same year, claims the
 5 deduction on two (2) or more different applications for the
 6 deduction; and

7 (2) the applications claim the deduction for different property.

8 (i) The department of local government finance shall provide secure
 9 access to county auditors to a homestead property data base that
 10 includes access to the homestead owner's name and the numbers
 11 required from the homestead owner under subsection (e)(4) for the sole
 12 purpose of verifying whether an owner is wrongly claiming a deduction
 13 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 14 IC 6-3.5.

15 (j) The department of local government finance shall work with
 16 county auditors to develop procedures to determine whether a property
 17 owner that is claiming a standard deduction or homestead credit is not
 18 eligible for the standard deduction or homestead credit because the
 19 property owner's principal place of residence is outside Indiana.

20 (k) As used in this section, "homestead" includes property that
 21 satisfies each of the following requirements:

22 (1) The property is located in Indiana and consists of a dwelling
 23 and the real estate, not exceeding one (1) acre, that immediately
 24 surrounds that dwelling.

25 (2) The property is the principal place of residence of an
 26 individual.

27 (3) The property is owned by an entity that is not described in
 28 subsection (a)(2)(B).

29 (4) The individual residing on the property is a shareholder,
 30 partner, or member of the entity that owns the property.

31 (5) The property was eligible for the standard deduction under
 32 this section on March 1, 2009.

33 (l) If a county auditor terminates a deduction for property described
 34 in subsection (k) with respect to property taxes that are:

35 (1) imposed for an assessment date in 2009; and

36 (2) first due and payable in 2010;

37 on the grounds that the property is not owned by an entity described in
 38 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 39 the taxpayer provides proof that the property is eligible for the
 40 deduction in accordance with subsection (k) and that the individual
 41 residing on the property is not claiming the deduction for any other
 42 property.

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1 **(m) For assessments dates after 2009, the term "homestead"**
 2 **includes:**
 3 **(1) a deck or patio;**
 4 **(2) a gazebo; or**
 5 **(3) another residential yard structure, as defined in rules**
 6 **adopted by the department of local government finance (other**
 7 **than a swimming pool);**
 8 **that is assessed as real property and that is attached to the**
 9 **dwelling.**

10 SECTION 7. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,
 11 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) For purposes of this section,
 13 an increase in the assessed value of real property is determined in the
 14 same manner that an increase in the assessed value of real property is
 15 determined for purposes of IC 6-1.1-12.1.

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

- 20 (1) develops, redevelops, or rehabilitates the real property; and
 21 (2) creates or retains employment from the development,
 22 redevelopment, or rehabilitation;

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

24 (c) Subject to section 14 of this chapter, the deduction under this
 25 section is first available in the year in which the increase in assessed
 26 value resulting from the development, redevelopment, or rehabilitation
 27 occurs and continues for the following two (2) years. The amount of the
 28 deduction that a property owner may receive with respect to real
 29 property located in a county for a particular year equals the lesser of:

- 30 (1) two million dollars (\$2,000,000); or
 31 (2) the product of:
 32 (A) the increase in assessed value resulting from the
 33 development, rehabilitation, or redevelopment; multiplied by
 34 (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
36 1st	75%
37 2nd	50%
38 3rd	25%

39 (d) A property owner that qualifies for the deduction under this
 40 section must file a notice to claim the deduction in the manner
 41 prescribed by the department of local government finance under rules
 42 adopted by the department of local government finance under

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1 IC 4-22-2 to implement this chapter. The township assessor, or the
2 county assessor if there is no township assessor for the township, shall:

- 3 (1) inform the county auditor of the real property eligible for the
4 deduction as contained in the notice filed by the taxpayer under
5 this subsection; and
6 (2) inform the county auditor of the deduction amount.

7 (e) The county auditor shall:

- 8 (1) make the deductions; and
9 (2) notify the county property tax assessment board of appeals of
10 all deductions approved;

11 under this section.

12 (f) The amount of the deduction determined under subsection (c)(2)
13 is adjusted to reflect the percentage increase or decrease in assessed
14 valuation that results from:

- 15 (1) a general reassessment of real property under IC 6-1.1-4-4; or
16 (2) an ~~annual~~ adjustment under IC 6-1.1-4-4.5.

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

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

23 SECTION 8. IC 6-1.1-17-5, AS AMENDED BY P.L.182-2009(ss),
24 SECTION 116, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political
26 subdivisions shall meet each year to fix the budget, tax rate, and tax
27 levy of their respective subdivisions for the ensuing budget year as
28 follows:

29 (1) The board of school trustees of a school corporation that is
30 located in a city having a population of more than one hundred
31 five thousand (105,000) but less than one hundred twenty
32 thousand (120,000), not later than:

- 33 (A) the time required in section 5.6(b) of this chapter; or
34 (B) ~~for budget years beginning before July 1, 2011; November~~
35 1, if a resolution adopted under section 5.6(d) of this chapter
36 is in effect.

37 (2) The proper officers of all other political subdivisions **that are**
38 **not school corporations**, not later than November 1.

39 (3) The governing body of ~~each~~ a school corporation ~~(including~~
40 **(other than a school corporation described in subdivision (1))**
41 **that elects to adopt a budget under section 5.6 of this chapter**
42 **for budget years beginning after June 30, 2011**, not later than

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1 the time required under section 5.6(b) of this chapter for budget
2 years beginning after June 30, 2011.

3 **(4) The governing body of a school corporation that is not**
4 **described in subdivision (1) or (3), not later than November 1.**

5 Except in a consolidated city and county and in a second class city, the
6 public hearing required by section 3 of this chapter must be completed
7 at least ten (10) days before the proper officers of the political
8 subdivision meet to fix the budget, tax rate, and tax levy. In a
9 consolidated city and county and in a second class city, that public
10 hearing, by any committee or by the entire fiscal body, may be held at
11 any time after introduction of the budget.

12 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
13 tax levy of a political subdivision fixed under subsection (a) by filing
14 an objection petition with the proper officers of the political
15 subdivision not more than seven (7) days after the hearing. The
16 objection petition must specifically identify the provisions of the
17 budget, tax rate, and tax levy to which the taxpayers object.

18 (c) If a petition is filed under subsection (b), the fiscal body of the
19 political subdivision shall adopt with its budget a finding concerning
20 the objections in the petition and any testimony presented at the
21 adoption hearing.

22 (d) This subsection does not apply to a school corporation. Each
23 year at least two (2) days before the first meeting of the county board
24 of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall
25 file with the county auditor:

- 26 (1) a statement of the tax rate and levy fixed by the political
- 27 subdivision for the ensuing budget year;
- 28 (2) two (2) copies of the budget adopted by the political
- 29 subdivision for the ensuing budget year; and
- 30 (3) two (2) copies of any findings adopted under subsection (c).

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

34 (e) In a consolidated city and county and in a second class city, the
35 clerk of the fiscal body shall, notwithstanding subsection (d), file the
36 adopted budget and tax ordinances with the county board of tax
37 adjustment within two (2) days after the ordinances are signed by the
38 executive, or within two (2) days after action is taken by the fiscal body
39 to override a veto of the ordinances, whichever is later.

40 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of
41 the political subdivisions for the ensuing budget year as required under
42 this section, the most recent annual appropriations and annual tax levy

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1 are continued for the ensuing budget year.

2 SECTION 9. IC 6-1.1-17-5.6, AS AMENDED BY
 3 P.L.182-2009(ss), SECTION 117, IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget
 5 years beginning before July 1, 2011, this section applies only to a
 6 school corporation that is located in a city having a population of more
 7 than one hundred five thousand (105,000) but less than one hundred
 8 twenty thousand (120,000). For budget years beginning after June 30,
 9 2011, this section applies to all school corporations. Beginning in 2011,
 10 each school corporation ~~shall~~ **may elect to** adopt a budget under this
 11 section that applies from July 1 of the year through June 30 of the
 12 following year. In the initial budget adopted by a school corporation ~~in~~
 13 ~~2011~~ under this section, the first six (6) months of that initial budget
 14 must be consistent with the last six (6) months of the budget adopted
 15 by the school corporation for ~~the~~ **the calendar year 2011; in which the**
 16 **school corporation elects by resolution to begin adopting budgets**
 17 **that correspond to the state fiscal year. A school corporation shall**
 18 **submit a copy of the resolution to the department of local**
 19 **government finance and the department of education not more**
 20 **than thirty (30) days after the date the governing body adopts the**
 21 **resolution.**

22 (b) Before February 1 of each year, the officers of the school
 23 corporation shall meet to fix the budget for the school corporation for
 24 the ensuing budget year, with notice given by the same officers.
 25 However, if a resolution adopted under subsection (d) is in effect, the
 26 officers shall meet to fix the budget for the ensuing budget year before
 27 ~~September 30; November 1.~~

28 (c) Each year, at least two (2) days before the first meeting of the
 29 county board of tax adjustment held under IC 6-1.1-29-4, the school
 30 corporation shall file with the county auditor:

- 31 (1) a statement of the tax rate and tax levy fixed by the school
 32 corporation for the ensuing budget year;
 33 (2) two (2) copies of the budget adopted by the school corporation
 34 for the ensuing budget year; and
 35 (3) any written notification from the department of local
 36 government finance under section 16(i) of this chapter that
 37 specifies a proposed revision, reduction, or increase in the budget
 38 adopted by the school corporation for the ensuing budget year.

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

42 (d) ~~This subsection does not apply to budget years after June 30;~~

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1 ~~2011~~. The governing body of the school corporation may adopt a
 2 resolution to cease using a school year budget year and return to using
 3 a calendar year budget year. A resolution adopted under this subsection
 4 must be adopted after January 1 and before July 1. The school
 5 corporation's initial calendar year budget year following the adoption
 6 of a resolution under this subsection begins on January 1 of the year
 7 following the year the resolution is adopted. The first six (6) months of
 8 the initial calendar year budget for the school corporation must be
 9 consistent with the last six (6) months of the final school year budget
 10 fixed by the department of local government finance before the
 11 adoption of a resolution under this subsection. ~~Notwithstanding any~~
 12 ~~resolution adopted under this subsection, beginning in 2011, each~~
 13 ~~school corporation shall adopt a budget under this section that applies~~
 14 ~~from July 1 of the year through June 30 of the following year.~~

15 (e) A resolution adopted under subsection (d) may be rescinded by
 16 a subsequent resolution adopted by the governing body. If the
 17 governing body of the school corporation rescinds a resolution adopted
 18 under subsection (d) and returns to a school year budget year, the
 19 school corporation's initial school year budget year begins on July 1
 20 following the adoption of the rescinding resolution and ends on June
 21 30 of the following year. The first six (6) months of the initial school
 22 year budget for the school corporation must be consistent with the last
 23 six (6) months of the last calendar year budget fixed by the department
 24 of local government finance before the adoption of a rescinding
 25 resolution under this subsection.

26 SECTION 10. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
 27 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2010]: Sec. 12. (a) For purposes of this section,
 29 "maximum rate" refers to the maximum:

- 30 (1) property tax rate or rates; or
- 31 (2) special benefits tax rate or rates;

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

33 (b) The maximum rate for taxes first due and payable after 2003 is
 34 the maximum rate that would have been determined under subsection
 35 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 36 for taxes first due and payable in 2003.

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

- 39 (1) an ~~annual~~ adjustment of the assessed value of real property
 40 under IC 6-1.1-4-4.5; or
- 41 (2) a general reassessment of real property under IC 6-1.1-4-4.

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

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- 1 (1) IC 8-10-5-17;
- 2 (2) IC 8-22-3-11;
- 3 (3) IC 8-22-3-25;
- 4 (4) IC 12-29-1-1;
- 5 (5) IC 12-29-1-2;
- 6 (6) IC 12-29-1-3;
- 7 (7) IC 12-29-3-6;
- 8 (8) IC 13-21-3-12;
- 9 (9) IC 13-21-3-15;
- 10 (10) IC 14-27-6-30;
- 11 (11) IC 14-33-7-3;
- 12 (12) IC 14-33-21-5;
- 13 (13) IC 15-14-7-4;
- 14 (14) IC 15-14-9-1;
- 15 (15) IC 15-14-9-2;
- 16 (16) IC 16-20-2-18;
- 17 (17) IC 16-20-4-27;
- 18 (18) IC 16-20-7-2;
- 19 (19) IC 16-22-14;
- 20 (20) IC 16-23-1-29;
- 21 (21) IC 16-23-3-6;
- 22 (22) IC 16-23-4-2;
- 23 (23) IC 16-23-5-6;
- 24 (24) IC 16-23-7-2;
- 25 (25) IC 16-23-8-2;
- 26 (26) IC 16-23-9-2;
- 27 (27) IC 16-41-15-5;
- 28 (28) IC 16-41-33-4;
- 29 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 30 (30) IC 20-46-6-5;
- 31 (31) IC 20-49-2-10;
- 32 (32) IC 36-1-19-1;
- 33 (33) IC 23-14-66-2;
- 34 (34) IC 23-14-67-3;
- 35 (35) IC 36-7-13-4;
- 36 (36) IC 36-7-14-28;
- 37 (37) IC 36-7-15.1-16;
- 38 (38) IC 36-8-19-8.5;
- 39 (39) IC 36-9-6.1-2;
- 40 (40) IC 36-9-17.5-4;
- 41 (41) IC 36-9-27-73;
- 42 (42) IC 36-9-29-31;

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- 1 (43) IC 36-9-29.1-15;
- 2 (44) IC 36-10-6-2;
- 3 (45) IC 36-10-7-7;
- 4 (46) IC 36-10-7-8;
- 5 (47) IC 36-10-7.5-19;
- 6 (48) IC 36-10-13-5;
- 7 (49) IC 36-10-13-7;
- 8 (50) IC 36-10-14-4;
- 9 (51) IC 36-12-7-7;
- 10 (52) IC 36-12-7-8;
- 11 (53) IC 36-12-12-10; and
- 12 (54) any statute enacted after December 31, 2003, that:
 - 13 (A) establishes a maximum rate for any part of the:
 - 14 (i) property taxes; or
 - 15 (ii) special benefits taxes;
 - 16 imposed by a political subdivision; and
 - 17 (B) does not exempt the maximum rate from the adjustment
 - 18 under this section.
- 19 (e) The new maximum rate under a statute listed in subsection (d)
- 20 is the tax rate determined under STEP SEVEN of the following STEPS:
 - 21 STEP ONE: Determine the maximum rate for the political
 - 22 subdivision levying a property tax or special benefits tax under
 - 23 the statute for the year preceding the year in which the ~~annual~~
 - 24 adjustment or general reassessment takes effect.
 - 25 STEP TWO: Determine the actual percentage increase (rounded
 - 26 to the nearest one-hundredth percent (0.01%)) in the assessed
 - 27 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 - 28 taxable property from the year preceding the year the ~~annual~~
 - 29 adjustment or general reassessment takes effect to the year that
 - 30 the ~~annual~~ adjustment or general reassessment takes effect.
 - 31 STEP THREE: Determine the three (3) calendar years that
 - 32 immediately precede the ensuing calendar year and in which a
 - 33 statewide general reassessment of real property does not first take
 - 34 effect.
 - 35 STEP FOUR: Compute separately, for each of the calendar years
 - 36 determined in STEP THREE, the actual percentage increase
 - 37 (rounded to the nearest one-hundredth percent (0.01%)) in the
 - 38 assessed value (before the adjustment, if any, under
 - 39 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 - 40 STEP FIVE: Divide the sum of the three (3) quotients computed
 - 41 in STEP FOUR by three (3).
 - 42 STEP SIX: Determine the greater of the following:

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1 (A) Zero (0).
 2 (B) The result of the STEP TWO percentage minus the STEP
 3 FIVE percentage.
 4 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 5 divided by the sum of one (1) plus the STEP SIX percentage
 6 increase.
 7 (f) The department of local government finance shall compute the
 8 maximum rate allowed under subsection (e) and provide the rate to
 9 each political subdivision with authority to levy a tax under a statute
 10 listed in subsection (d).
 11 SECTION 11. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
 12 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied
 14 under IC 20-46-6 by each school corporation for the school
 15 corporation's capital projects fund must be adjusted each year to
 16 account for the change in assessed value of real property that results
 17 from:
 18 (1) an ~~annual~~ adjustment of the assessed value of real property
 19 under IC 6-1.1-4-4.5; or
 20 (2) a general reassessment of real property under IC 6-1.1-4-4.
 21 (b) The new maximum rate under this section is the tax rate
 22 determined under STEP SEVEN of the following formula:
 23 STEP ONE: Determine the maximum rate for the school
 24 corporation for the year preceding the year in which the ~~annual~~
 25 adjustment or general reassessment takes effect.
 26 STEP TWO: Determine the actual percentage increase (rounded
 27 to the nearest one-hundredth percent (0.01%)) in the assessed
 28 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 29 taxable property from the year preceding the year the ~~annual~~
 30 adjustment or general reassessment takes effect to the year that
 31 the ~~annual~~ adjustment or general reassessment is effective.
 32 STEP THREE: Determine the three (3) calendar years that
 33 immediately precede the ensuing calendar year and in which a
 34 statewide general reassessment of real property does not first
 35 become effective.
 36 STEP FOUR: Compute separately, for each of the calendar years
 37 determined in STEP THREE, the actual percentage increase
 38 (rounded to the nearest one-hundredth percent (0.01%)) in the
 39 assessed value (before the adjustment, if any, under
 40 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
 41 STEP FIVE: Divide the sum of the three (3) quotients computed
 42 in STEP FOUR by three (3).

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1 STEP SIX: Determine the greater of the following:
 2 (A) Zero (0).
 3 (B) The result of the STEP TWO percentage minus the STEP
 4 FIVE percentage.
 5 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 6 divided by the sum of one (1) plus the STEP SIX percentage
 7 increase.
 8 (c) The department of local government finance shall compute the
 9 maximum rate allowed under subsection (b) and provide the rate to
 10 each school corporation.
 11 SECTION 12. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,
 12 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2010]: Sec. 1. As used in this chapter:
 14 "Ad valorem property tax levy for an ensuing calendar year" means
 15 the total property taxes imposed by a civil taxing unit for current
 16 property taxes collectible in that ensuing calendar year.
 17 "Adopting county" means any county in which the county adjusted
 18 gross income tax is in effect.
 19 "Civil taxing unit" means any taxing unit except a school
 20 corporation.
 21 "Maximum permissible ad valorem property tax levy for the
 22 preceding calendar year" means the greater of:
 23 (1) the remainder of:
 24 (A) the civil taxing unit's maximum permissible ad valorem
 25 property tax levy for the calendar year immediately preceding
 26 the ensuing calendar year, as that levy was determined under
 27 section 3 of this chapter; minus
 28 (B) one-half (1/2) of the remainder of:
 29 (i) the civil taxing unit's maximum permissible ad valorem
 30 property tax levy referred to in clause (A); minus
 31 (ii) the civil taxing unit's ad valorem property tax levy for
 32 the calendar year immediately preceding the ensuing
 33 calendar year referred to in subdivision (2); or
 34 (2) the civil taxing unit's ad valorem property tax levy for the
 35 calendar year immediately preceding the ensuing calendar year,
 36 as that levy was determined by the department of local
 37 government finance in fixing the civil taxing unit's budget, levy,
 38 and rate for that preceding calendar year under IC 6-1.1-17, and
 39 after eliminating the effects of temporary excessive levy appeals
 40 and temporary adjustments made to the working maximum levy
 41 for the calendar year immediately preceding the ensuing calendar
 42 year, as determined by the department of local government

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1 finance.

2 "Taxable property" means all tangible property that is subject to the
3 tax imposed by this article and is not exempt from the tax under
4 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this
5 chapter, the term "taxable property" is further defined in section 6 of
6 this chapter.

7 "Unadjusted assessed value" means the assessed value of a civil
8 taxing unit as determined by local assessing officials and the
9 department of local government finance in a particular calendar year
10 before the application of an annual adjustment under IC 6-1.1-4-4.5 for
11 that particular calendar year or any calendar year since the last general
12 reassessment preceding the particular calendar year.

13 SECTION 13. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,
14 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property
16 tax levy limit imposed on a city, town, or county under section 3 of this
17 chapter, the city, town, or county's ad valorem property tax levy for a
18 particular calendar year does not include an amount equal to the lesser
19 of:

20 (1) the amount of ad valorem property taxes that would be first
21 due and payable to the city, town, or county during the ensuing
22 calendar year if the taxing unit imposed the maximum permissible
23 property tax rate per one hundred dollars (\$100) of assessed
24 valuation that the civil taxing unit may impose for the particular
25 calendar year under the authority of IC 36-9-14.5 (in the case of
26 a county) or IC 36-9-15.5 (in the case of a city or town); or

27 (2) the excess, if any, of:

28 (A) the property taxes imposed by the city, town, or county
29 under the authority of:

- 30 IC 3-11-6-9;
- 31 IC 8-16-3;
- 32 IC 8-16-3.1;
- 33 IC 8-22-3-25;
- 34 IC 14-27-6-48;
- 35 IC 14-33-9-3;
- 36 IC 16-22-8-41;
- 37 IC 16-22-5-2 through IC 16-22-5-15;
- 38 IC 16-23-1-40;
- 39 IC 36-8-14;
- 40 IC 36-9-4-48;
- 41 IC 36-9-14;
- 42 IC 36-9-14.5;

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1 IC 36-9-15;
 2 IC 36-9-15.5;
 3 IC 36-9-16;
 4 IC 36-9-16.5;
 5 IC 36-9-17;
 6 IC 36-9-26;
 7 IC 36-9-27-100;
 8 IC 36-10-3-21; or
 9 IC 36-10-4-36;
 10 that are first due and payable during the ensuing calendar year;
 11 over
 12 (B) the property taxes imposed by the city, town, or county
 13 under the authority of the citations listed in clause (A) that
 14 were first due and payable during calendar year 1984.
 15 (b) The maximum property tax rate levied under the statutes listed
 16 in subsection (a) must be adjusted each year to account for the change
 17 in assessed value of real property that results from:
 18 (1) an ~~annual~~ adjustment of the assessed value of real property
 19 under IC 6-1.1-4-4.5; or
 20 (2) a general reassessment of real property under IC 6-1.1-4-4.
 21 (c) The new maximum rate under a statute listed in subsection (a)
 22 is the tax rate determined under STEP SEVEN of the following
 23 formula:
 24 STEP ONE: Determine the maximum rate for the political
 25 subdivision levying a property tax under the statute for the year
 26 preceding the year in which the ~~annual~~ adjustment or general
 27 reassessment takes effect.
 28 STEP TWO: Determine the actual percentage increase (rounded
 29 to the nearest one-hundredth percent (0.01%)) in the assessed
 30 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 31 taxable property from the year preceding the year the ~~annual~~
 32 adjustment or general reassessment takes effect to the year that
 33 the ~~annual~~ adjustment or general reassessment is effective.
 34 STEP THREE: Determine the three (3) calendar years that
 35 immediately precede the ensuing calendar year and in which a
 36 statewide general reassessment of real property does not first
 37 become effective.
 38 STEP FOUR: Compute separately, for each of the calendar years
 39 determined in STEP THREE, the actual percentage increase
 40 (rounded to the nearest one-hundredth percent (0.01%)) in the
 41 assessed value (before the adjustment, if any, under
 42 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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1 STEP FIVE: Divide the sum of the three (3) quotients computed
 2 in STEP FOUR by three (3).
 3 STEP SIX: Determine the greater of the following:
 4 (A) Zero (0).
 5 (B) The result of the STEP TWO percentage minus the STEP
 6 FIVE percentage.
 7 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 8 divided by the sum of one (1) plus the STEP SIX percentage
 9 increase.
 10 (d) The department of local government finance shall compute the
 11 maximum rate allowed under subsection (c) and provide the rate to
 12 each political subdivision with authority to levy a tax under a statute
 13 listed in subsection (a).
 14 SECTION 14. IC 6-1.1-18.5-13, AS AMENDED BY
 15 P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 13. With respect to an
 17 appeal filed under section 12 of this chapter, the department may find
 18 that a civil taxing unit should receive any one (1) or more of the
 19 following types of relief:
 20 (1) Permission to the civil taxing unit to increase its levy in excess
 21 of the limitations established under section 3 of this chapter, if in
 22 the judgment of the department the increase is reasonably
 23 necessary due to increased costs of the civil taxing unit resulting
 24 from annexation, consolidation, or other extensions of
 25 governmental services by the civil taxing unit to additional
 26 geographic areas or persons. With respect to annexation,
 27 consolidation, or other extensions of governmental services in a
 28 calendar year, if those increased costs are incurred by the civil
 29 taxing unit in that calendar year and more than one (1)
 30 immediately succeeding calendar year, the unit may appeal under
 31 section 12 of this chapter for permission to increase its levy under
 32 this subdivision based on those increased costs in any of the
 33 following:
 34 (A) The first calendar year in which those costs are incurred.
 35 (B) One (1) or more of the immediately succeeding four (4)
 36 calendar years.
 37 (2) A levy increase may not be granted under this subdivision for
 38 property taxes first due and payable after December 31, 2008.
 39 Permission to the civil taxing unit to increase its levy in excess of
 40 the limitations established under section 3 of this chapter, if the
 41 local government tax control board finds that the civil taxing unit
 42 needs the increase to meet the civil taxing unit's share of the costs

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1 of operating a court established by statute enacted after December
 2 31, 1973. Before recommending such an increase, the local
 3 government tax control board shall consider all other revenues
 4 available to the civil taxing unit that could be applied for that
 5 purpose. The maximum aggregate levy increases that the local
 6 government tax control board may recommend for a particular
 7 court equals the civil taxing unit's estimate of the unit's share of
 8 the costs of operating a court for the first full calendar year in
 9 which it is in existence. For purposes of this subdivision, costs of
 10 operating a court include:

11 (A) the cost of personal services (including fringe benefits);

12 (B) the cost of supplies; and

13 (C) any other cost directly related to the operation of the court.

14 (3) Permission to the civil taxing unit to increase its levy in excess
 15 of the limitations established under section 3 of this chapter, if the
 16 department finds that the quotient determined under STEP SIX of
 17 the following formula is equal to or greater than one and
 18 two-hundredths (1.02):

19 STEP ONE: Determine the three (3) calendar years that most
 20 immediately precede the ensuing calendar year and in which
 21 a statewide general reassessment of real property or the initial
 22 ~~annual~~ adjustment of the assessed value of real property under
 23 IC 6-1.1-4-4.5 does not first become effective.

24 STEP TWO: Compute separately, for each of the calendar
 25 years determined in STEP ONE, the quotient (rounded to the
 26 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 27 unit's total assessed value of all taxable property and:

28 (i) for a particular calendar year before 2007, the total
 29 assessed value of property tax deductions in the unit under
 30 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 31 year; or

32 (ii) for a particular calendar year after 2006, the total
 33 assessed value of property tax deductions that applied in the
 34 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 35 calendar year after 2009, the total assessed value of property
 36 tax deductions that applied in the unit under
 37 IC 6-1.1-12-37.5 in 2008;

38 divided by the sum determined under this STEP for the
 39 calendar year immediately preceding the particular calendar
 40 year.

41 STEP THREE: Divide the sum of the three (3) quotients
 42 computed in STEP TWO by three (3).

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1 STEP FOUR: Compute separately, for each of the calendar
 2 years determined in STEP ONE, the quotient (rounded to the
 3 nearest ten-thousandth (0.0001)) of the sum of the total
 4 assessed value of all taxable property in all counties and:

5 (i) for a particular calendar year before 2007, the total
 6 assessed value of property tax deductions in all counties
 7 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular
 8 calendar year; or

9 (ii) for a particular calendar year after 2006, the total
 10 assessed value of property tax deductions that applied in all
 11 counties under IC 6-1.1-12-42 in 2006 plus for a particular
 12 calendar year after 2009, the total assessed value of property
 13 tax deductions that applied in the unit under
 14 IC 6-1.1-12-37.5 in 2008;

15 divided by the sum determined under this STEP for the
 16 calendar year immediately preceding the particular calendar
 17 year.

18 STEP FIVE: Divide the sum of the three (3) quotients
 19 computed in STEP FOUR by three (3).

20 STEP SIX: Divide the STEP THREE amount by the STEP
 21 FIVE amount.

22 The civil taxing unit may increase its levy by a percentage not
 23 greater than the percentage by which the STEP THREE amount
 24 exceeds the percentage by which the civil taxing unit may
 25 increase its levy under section 3 of this chapter based on the
 26 assessed value growth quotient determined under section 2 of this
 27 chapter.

28 (4) A levy increase may not be granted under this subdivision for
 29 property taxes first due and payable after December 31, 2008.
 30 Permission to the civil taxing unit to increase its levy in excess of
 31 the limitations established under section 3 of this chapter, if the
 32 local government tax control board finds that the civil taxing unit
 33 needs the increase to pay the costs of furnishing fire protection for
 34 the civil taxing unit through a volunteer fire department. For
 35 purposes of determining a township's need for an increased levy,
 36 the local government tax control board shall not consider the
 37 amount of money borrowed under IC 36-6-6-14 during the
 38 immediately preceding calendar year. However, any increase in
 39 the amount of the civil taxing unit's levy recommended by the
 40 local government tax control board under this subdivision for the
 41 ensuing calendar year may not exceed the lesser of:

42 (A) ten thousand dollars (\$10,000); or

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(B) twenty percent (20%) of:

- (i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus
- (ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus
- (iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

- (A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and
- (B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the

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township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

- (A) the civil taxing unit is:
 - (i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);
 - (ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);
 - (iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);
 - (iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or
 - (v) a city having a population of more than seven thousand

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(7,000) but less than seven thousand three hundred (7,300);
and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

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1 Before recommending an increase, the local government tax
 2 control board shall consider all other revenues available to the
 3 county that could be applied for that purpose. An appeal for
 4 operating funds for a jail or a juvenile detention center shall be
 5 considered individually, if a jail and juvenile detention center are
 6 both opened in one (1) county. The maximum aggregate levy
 7 increases that the local government tax control board may
 8 recommend for a county equals the county's share of the costs of
 9 operating the jail or a juvenile detention center for the first full
 10 calendar year in which the jail or juvenile detention center is in
 11 operation.

12 (10) A levy increase may not be granted under this subdivision for
 13 property taxes first due and payable after December 31, 2008.
 14 Permission for a township to increase its levy in excess of the
 15 limitations established under section 3 of this chapter, if the local
 16 government tax control board finds that the township needs the
 17 increase so that the property tax rate to pay the costs of furnishing
 18 fire protection for a township, or a portion of a township, enables
 19 the township to pay a fair and reasonable amount under a contract
 20 with the municipality that is furnishing the fire protection.
 21 However, for the first time an appeal is granted the resulting rate
 22 increase may not exceed fifty percent (50%) of the difference
 23 between the rate imposed for fire protection within the
 24 municipality that is providing the fire protection to the township
 25 and the township's rate. A township is required to appeal a second
 26 time for an increase under this subdivision if the township wants
 27 to further increase its rate. However, a township's rate may be
 28 increased to equal but may not exceed the rate that is used by the
 29 municipality. More than one (1) township served by the same
 30 municipality may use this appeal.

31 (11) A levy increase may not be granted under this subdivision for
 32 property taxes first due and payable after December 31, 2008.
 33 Permission for a township to increase its levy in excess of the
 34 limitations established under section 3 of this chapter, if the local
 35 government tax control board finds that the township has been
 36 required, for the three (3) consecutive years preceding the year for
 37 which the appeal under this subdivision is to become effective, to
 38 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 39 township or a part of the township. However, the maximum
 40 increase in a township's levy that may be allowed under this
 41 subdivision is the least of the amounts borrowed under
 42 IC 36-6-6-14 during the preceding three (3) calendar years. A

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1 township may elect to phase in an approved increase in its levy
2 under this subdivision over a period not to exceed three (3) years.
3 A particular township may appeal to increase its levy under this
4 section not more frequently than every fourth calendar year.

5 (12) Permission to a city having a population of more than
6 twenty-nine thousand (29,000) but less than thirty-one thousand
7 (31,000) to increase its levy in excess of the limitations
8 established under section 3 of this chapter if:

9 (A) an appeal was granted to the city under this section to
10 reallocate property tax replacement credits under IC 6-3.5-1.1
11 in 1998, 1999, and 2000; and

12 (B) the increase has been approved by the legislative body of
13 the city, and the legislative body of the city has by resolution
14 determined that the increase is necessary to pay normal
15 operating expenses.

16 The maximum amount of the increase is equal to the amount of
17 property tax replacement credits under IC 6-3.5-1.1 that the city
18 petitioned under this section to have reallocated in 2001 for a
19 purpose other than property tax relief.

20 (13) A levy increase may be granted under this subdivision only
21 for property taxes first due and payable after December 31, 2008.
22 Permission to a civil taxing unit to increase its levy in excess of
23 the limitations established under section 3 of this chapter if the
24 civil taxing unit cannot carry out its governmental functions for
25 an ensuing calendar year under the levy limitations imposed by
26 section 3 of this chapter due to a natural disaster, an accident, or
27 another unanticipated emergency.

28 SECTION 15. IC 6-1.1-20-3.1, AS AMENDED BY
29 P.L.182-2009(ss), SECTION 143, IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.1. (a) This section
31 applies only to the following:

32 (1) A controlled project (as defined in section 1.1 of this chapter
33 as in effect June 30, 2008) for which the proper officers of a
34 political subdivision make a preliminary determination in the
35 manner described in subsection (b) before July 1, 2008.

36 (2) An elementary school building, middle school building, or
37 other school building for academic instruction that:

- 38 (A) is a controlled project;
- 39 (B) will be used for any combination of kindergarten through
40 grade 8;
- 41 (C) will not be used for any combination of grade 9 through
42 grade 12; and

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- 1 (D) will not cost more than ten million dollars (\$10,000,000).
- 2 (3) A high school building or other school building for academic
- 3 instruction that:
- 4 (A) is a controlled project;
- 5 (B) will be used for any combination of grade 9 through grade
- 6 12;
- 7 (C) will not be used for any combination of kindergarten
- 8 through grade 8; and
- 9 (D) will not cost more than twenty million dollars
- 10 (\$20,000,000).
- 11 (4) Any other controlled project that:
- 12 (A) is not a controlled project described in subdivision (1), (2),
- 13 or (3); and
- 14 (B) will not cost the political subdivision more than the lesser
- 15 of the following:
- 16 (i) Twelve million dollars (\$12,000,000).
- 17 (ii) An amount equal to one percent (1%) of the total gross
- 18 assessed value of property within the political subdivision
- 19 on the last assessment date, if that amount is at least one
- 20 million dollars (\$1,000,000).
- 21 (b) A political subdivision may not impose property taxes to pay
- 22 debt service on bonds or lease rentals on a lease for a controlled project
- 23 without completing the following procedures:
- 24 (1) The proper officers of a political subdivision shall:
- 25 (A) publish notice in accordance with IC 5-3-1; and
- 26 (B) send notice by first class mail to **the circuit court clerk**
- 27 **and to** any organization that delivers to the officers, before
- 28 January 1 of that year, an annual written request for such
- 29 notices;
- 30 of any meeting to consider adoption of a resolution or an
- 31 ordinance making a preliminary determination to issue bonds or
- 32 enter into a lease and shall conduct a public hearing on a
- 33 preliminary determination before adoption of the resolution or
- 34 ordinance.
- 35 (2) When the proper officers of a political subdivision make a
- 36 preliminary determination to issue bonds or enter into a lease for
- 37 a controlled project, the officers shall give notice of the
- 38 preliminary determination by:
- 39 (A) publication in accordance with IC 5-3-1; and
- 40 (B) first class mail to **the circuit court clerk and to the**
- 41 **organizations** described in subdivision (1)(B).
- 42 (3) A notice under subdivision (2) of the preliminary

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determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

- (A) The maximum term of the bonds or lease.
 - (B) The maximum principal amount of the bonds or the maximum lease rental for the lease.
 - (C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
 - (D) The purpose of the bonds or lease.
 - (E) A statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.
 - (F) With respect to bonds issued or a lease entered into to open:
 - (i) a new school facility; or
 - (ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;
 the estimated costs the school corporation expects to incur annually to operate the facility.
 - (G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).
 - (H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.
- (4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:
- (A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or
 - (B) five percent (5%) of the registered voters residing within the political subdivision.
- (5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter

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1 registration office or the county voter registration office's
2 designated printer the petition forms to be used solely in the
3 petition process described in this section. The county voter
4 registration office shall issue to an owner or owners of real
5 property within the political subdivision or a registered voter
6 residing within the political subdivision the number of petition
7 forms requested by the owner or owners or the registered voter.
8 Each form must be accompanied by instructions detailing the
9 requirements that:

- 10 (A) the carrier and signers must be owners of real property or
11 registered voters;
- 12 (B) the carrier must be a signatory on at least one (1) petition;
- 13 (C) after the signatures have been collected, the carrier must
14 swear or affirm before a notary public that the carrier
15 witnessed each signature; and
- 16 (D) govern the closing date for the petition period.

17 Persons requesting forms may be required to identify themselves
18 as owners of real property or registered voters and may be
19 allowed to pick up additional copies to distribute to other property
20 owners or registered voters. Each person signing a petition must
21 indicate whether the person is signing the petition as a registered
22 voter within the political subdivision or is signing the petition as
23 the owner of real property within the political subdivision. A
24 person who signs a petition as a registered voter must indicate the
25 address at which the person is registered to vote. A person who
26 signs a petition as a real property owner must indicate the address
27 of the real property owned by the person in the political
28 subdivision.

29 (6) Each petition must be verified under oath by at least one (1)
30 qualified petitioner in a manner prescribed by the state board of
31 accounts before the petition is filed with the county voter
32 registration office under subdivision (7).

33 (7) Each petition must be filed with the county voter registration
34 office not more than thirty (30) days after publication under
35 subdivision (2) of the notice of the preliminary determination.

36 (8) The county voter registration office shall determine whether
37 each person who signed the petition is a registered voter. The
38 county voter registration office shall not more than fifteen (15)
39 business days after receiving a petition forward a copy of the
40 petition to the county auditor. Not more than ten (10) business
41 days after receiving the copy of the petition, the county auditor
42 shall provide to the county voter registration office a statement

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verifying:
(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and
(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.
(9) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8) make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own real property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.
(10) The county voter registration office must file a certificate and each petition with:

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- 1 (A) the township trustee, if the political subdivision is a
- 2 township, who shall present the petition or petitions to the
- 3 township board; or
- 4 (B) the body that has the authority to authorize the issuance of
- 5 the bonds or the execution of a lease, if the political
- 6 subdivision is not a township;
- 7 within thirty-five (35) business days of the filing of the petition
- 8 requesting a petition and remonstrance process. The certificate
- 9 must state the number of petitioners that are owners of real
- 10 property within the political subdivision and the number of
- 11 petitioners who are registered voters residing within the political
- 12 subdivision.

13 If a sufficient petition requesting a petition and remonstrance process
 14 is not filed by owners of real property or registered voters as set forth
 15 in this section, the political subdivision may issue bonds or enter into
 16 a lease by following the provisions of law relating to the bonds to be
 17 issued or lease to be entered into.

18 SECTION 16. IC 6-1.1-20-3.2, AS AMENDED BY
 19 P.L.182-2009(ss), SECTION 144, IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.2. (a) This section
 21 applies only to controlled projects described in section 3.1(a) of this
 22 chapter.

23 (b) If a sufficient petition requesting the application of a petition and
 24 remonstrance process has been filed as set forth in section 3.1 of this
 25 chapter, a political subdivision may not impose property taxes to pay
 26 debt service on bonds or lease rentals on a lease for a controlled project
 27 without completing the following procedures:

28 (1) The proper officers of the political subdivision shall give
 29 notice of the applicability of the petition and remonstrance
 30 process by:

- 31 (A) publication in accordance with IC 5-3-1; and
- 32 (B) first class mail to **the circuit court clerk and to the**
- 33 **organizations** described in section 3.1(b)(1)(B) of this chapter.
- 34 A notice under this subdivision must include a statement that any
- 35 owners of real property within the political subdivision or
- 36 registered voters residing within the political subdivision who
- 37 want to petition in favor of or remonstrate against the proposed
- 38 debt service or lease payments must file petitions and
- 39 remonstrances in compliance with subdivisions (2) through (4)
- 40 not earlier than thirty (30) days or later than sixty (60) days after
- 41 publication in accordance with IC 5-3-1.
- 42 (2) Not earlier than thirty (30) days or later than sixty (60) days

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after the notice under subdivision (1) is given:
(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and
(B) remonstrances (described in subdivision (3)) against the bonds or lease;
may be filed by an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision. Each signature on a petition must be dated, and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county voter registration office under subdivision (4).
(3) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition or remonstrance forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:
(A) the carrier and signers must be owners of real property or registered voters;
(B) the carrier must be a signatory on at least one (1) petition;
(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;
(D) govern the closing date for the petition and remonstrance period; and
(E) apply to the carrier under section 10 of this chapter.
Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition or remonstrance must indicate whether the person is signing the petition or remonstrance as a registered voter within the political subdivision or is signing the petition or remonstrance as the owner of real property within the political subdivision. A person

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1 who signs a petition or remonstrance as a registered voter must
 2 indicate the address at which the person is registered to vote. A
 3 person who signs a petition or remonstrance as a real property
 4 owner must indicate the address of the real property owned by the
 5 person in the political subdivision. The county voter registration
 6 office may not issue a petition or remonstrance form earlier than
 7 twenty-nine (29) days after the notice is given under subdivision
 8 (1). The county voter registration office shall certify the date of
 9 issuance on each petition or remonstrance form that is distributed
 10 under this subdivision.

11 (4) The petitions and remonstrances must be verified in the
 12 manner prescribed by the state board of accounts and filed with
 13 the county voter registration office within the sixty (60) day
 14 period described in subdivision (2) in the manner set forth in
 15 section 3.1 of this chapter relating to requests for a petition and
 16 remonstrance process.

17 (5) The county voter registration office shall determine whether
 18 each person who signed the petition or remonstrance is a
 19 registered voter. The county voter registration office shall not
 20 more than fifteen (15) business days after receiving a petition or
 21 remonstrance forward a copy of the petition or remonstrance to
 22 the county auditor. Not more than ten (10) business days after
 23 receiving the copy of the petition or remonstrance, the county
 24 auditor shall provide to the county voter registration office a
 25 statement verifying:

26 (A) whether a person who signed the petition or remonstrance
 27 as a registered voter but is not a registered voter, as
 28 determined by the county voter registration office, is the owner
 29 of real property in the political subdivision; and

30 (B) whether a person who signed the petition or remonstrance
 31 as an owner of real property within the political subdivision
 32 does in fact own real property within the political subdivision.

33 (6) The county voter registration office shall not more than ten
 34 (10) business days after receiving the statement from the county
 35 auditor under subdivision (5) make the final determination of:

36 (A) the number of registered voters in the political subdivision
 37 that signed a petition and, based on the statement provided by
 38 the county auditor, the number of owners of real property
 39 within the political subdivision that signed a petition; and

40 (B) the number of registered voters in the political subdivision
 41 that signed a remonstrance and, based on the statement
 42 provided by the county auditor, the number of owners of real

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property within the political subdivision that signed a remonstrance.

Whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition or remonstrance under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition or remonstrance only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition or remonstrance is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition or remonstrance, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(7) The county voter registration office must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within thirty-five (35) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county voter registration office may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

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1 (8) If a greater number of persons who are either owners of real
 2 property within the political subdivision or registered voters
 3 residing within the political subdivision sign a remonstrance than
 4 the number that signed a petition, the bonds petitioned for may
 5 not be issued or the lease petitioned for may not be entered into.
 6 The proper officers of the political subdivision may not make a
 7 preliminary determination to issue bonds or enter into a lease for
 8 the controlled project defeated by the petition and remonstrance
 9 process under this section or any other controlled project that is
 10 not substantially different within one (1) year after the date of the
 11 county voter registration office's certificate under subdivision (7).
 12 Withdrawal of a petition carries the same consequences as a
 13 defeat of the petition.

14 (9) After a political subdivision has gone through the petition and
 15 remonstrance process set forth in this section, the political
 16 subdivision is not required to follow any other remonstrance or
 17 objection procedures under any other law (including section 5 of
 18 this chapter) relating to bonds or leases designed to protect
 19 owners of real property within the political subdivision from the
 20 imposition of property taxes to pay debt service or lease rentals.
 21 However, the political subdivision must still receive the approval
 22 of the department of local government finance if required by:

- 23 (A) IC 6-1.1-18.5-8; or
- 24 (B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

25 SECTION 17. IC 6-1.1-20-3.5, AS AMENDED BY
 26 P.L.182-2009(ss), SECTION 145, IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.5. (a) This section
 28 applies only to a controlled project that meets the following conditions:

29 (1) The controlled project is described in one (1) of the following
 30 categories:

- 31 (A) An elementary school building, middle school building, or
 32 other school building for academic instruction that:
 - 33 (i) will be used for any combination of kindergarten through
 34 grade 8;
 - 35 (ii) will not be used for any combination of grade 9 through
 36 grade 12; and
 - 37 (iii) will cost more than ten million dollars (\$10,000,000).
- 38 (B) A high school building or other school building for
 39 academic instruction that:
 - 40 (i) will be used for any combination of grade 9 through
 41 grade 12;
 - 42 (ii) will not be used for any combination of kindergarten

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1 through grade 8; and
 2 (iii) will cost more than twenty million dollars
 3 (\$20,000,000).
 4 (C) Any other controlled project that:
 5 (i) is not a controlled project described in clause (A) or (B);
 6 and
 7 (ii) will cost the political subdivision more than the lesser of
 8 twelve million dollars (\$12,000,000) or an amount equal to
 9 one percent (1%) of the total gross assessed value of
 10 property within the political subdivision on the last
 11 assessment date (if that amount is at least one million dollars
 12 (\$1,000,000)).
 13 (2) The proper officers of the political subdivision make a
 14 preliminary determination after June 30, 2008, in the manner
 15 described in subsection (b) to issue bonds or enter into a lease for
 16 the controlled project.
 17 (b) A political subdivision may not impose property taxes to pay
 18 debt service on bonds or lease rentals on a lease for a controlled project
 19 without completing the following procedures:
 20 (1) The proper officers of a political subdivision shall publish
 21 notice in accordance with IC 5-3-1 and send notice by first class
 22 mail to **the circuit court clerk and to** any organization that
 23 delivers to the officers, before January 1 of that year, an annual
 24 written request for notices of any meeting to consider the adoption
 25 of an ordinance or a resolution making a preliminary
 26 determination to issue bonds or enter into a lease and shall
 27 conduct a public hearing on the preliminary determination before
 28 adoption of the ordinance or resolution. The political subdivision
 29 must make the following information available to the public at the
 30 public hearing on the preliminary determination, in addition to
 31 any other information required by law:
 32 (A) The result of the political subdivision's current and
 33 projected annual debt service payments divided by the net
 34 assessed value of taxable property within the political
 35 subdivision.
 36 (B) The result of:
 37 (i) the sum of the political subdivision's outstanding long
 38 term debt plus the outstanding long term debt of other taxing
 39 units that include any of the territory of the political
 40 subdivision; divided by
 41 (ii) the net assessed value of taxable property within the
 42 political subdivision.

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- 1 (C) The information specified in subdivision (3)(A) through
 2 (3)(G).
 3 (2) If the proper officers of a political subdivision make a
 4 preliminary determination to issue bonds or enter into a lease, the
 5 officers shall give notice of the preliminary determination by:
 6 (A) publication in accordance with IC 5-3-1; and
 7 (B) first class mail to **the circuit court clerk and to the**
 8 organizations described in subdivision (1).
 9 (3) A notice under subdivision (2) of the preliminary
 10 determination of the political subdivision to issue bonds or enter
 11 into a lease must include the following information:
 12 (A) The maximum term of the bonds or lease.
 13 (B) The maximum principal amount of the bonds or the
 14 maximum lease rental for the lease.
 15 (C) The estimated interest rates that will be paid and the total
 16 interest costs associated with the bonds or lease.
 17 (D) The purpose of the bonds or lease.
 18 (E) A statement that the proposed debt service or lease
 19 payments must be approved in an election on a local public
 20 question held under section 3.6 of this chapter.
 21 (F) With respect to bonds issued or a lease entered into to
 22 open:
 23 (i) a new school facility; or
 24 (ii) an existing facility that has not been used for at least
 25 three (3) years and that is being reopened to provide
 26 additional classroom space;
 27 the estimated costs the school corporation expects to annually
 28 incur to operate the facility.
 29 (G) The political subdivision's current debt service levy and
 30 rate and the estimated increase to the political subdivision's
 31 debt service levy and rate that will result if the political
 32 subdivision issues the bonds or enters into the lease.
 33 (H) The information specified in subdivision (1)(A) through
 34 (1)(B).
 35 (4) After notice is given, a petition requesting the application of
 36 the local public question process under section 3.6 of this chapter
 37 may be filed by the lesser of:
 38 (A) one hundred (100) persons who are either owners of real
 39 property within the political subdivision or registered voters
 40 residing within the political subdivision; or
 41 (B) five percent (5%) of the registered voters residing within
 42 the political subdivision.

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1 (5) The state board of accounts shall design and, upon request by
 2 the county voter registration office, deliver to the county voter
 3 registration office or the county voter registration office's
 4 designated printer the petition forms to be used solely in the
 5 petition process described in this section. The county voter
 6 registration office shall issue to an owner or owners of real
 7 property within the political subdivision or a registered voter
 8 residing within the political subdivision the number of petition
 9 forms requested by the owner or owners or the registered voter.
 10 Each form must be accompanied by instructions detailing the
 11 requirements that:

- 12 (A) the carrier and signers must be owners of real property or
- 13 registered voters;
- 14 (B) the carrier must be a signatory on at least one (1) petition;
- 15 (C) after the signatures have been collected, the carrier must
- 16 swear or affirm before a notary public that the carrier
- 17 witnessed each signature; and
- 18 (D) govern the closing date for the petition period.

19 Persons requesting forms may be required to identify themselves
 20 as owners of real property or registered voters and may be
 21 allowed to pick up additional copies to distribute to other property
 22 owners or registered voters. Each person signing a petition must
 23 indicate whether the person is signing the petition as a registered
 24 voter within the political subdivision or is signing the petition as
 25 the owner of real property within the political subdivision. A
 26 person who signs a petition as a registered voter must indicate the
 27 address at which the person is registered to vote. A person who
 28 signs a petition as a real property owner must indicate the address
 29 of the real property owned by the person in the political
 30 subdivision.

31 (6) Each petition must be verified under oath by at least one (1)
 32 qualified petitioner in a manner prescribed by the state board of
 33 accounts before the petition is filed with the county voter
 34 registration office under subdivision (7).

35 (7) Each petition must be filed with the county voter registration
 36 office not more than thirty (30) days after publication under
 37 subdivision (2) of the notice of the preliminary determination.

38 (8) The county voter registration office shall determine whether
 39 each person who signed the petition is a registered voter.
 40 However, after the county voter registration office has determined
 41 that at least one hundred twenty-five (125) persons who signed
 42 the petition are registered voters within the political subdivision,

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1 the county voter registration office is not required to verify
 2 whether the remaining persons who signed the petition are
 3 registered voters. If the county voter registration office does not
 4 determine that at least one hundred twenty-five (125) persons who
 5 signed the petition are registered voters, the county voter
 6 registration office, not more than fifteen (15) business days after
 7 receiving a petition, shall forward a copy of the petition to the
 8 county auditor. Not more than ten (10) business days after
 9 receiving the copy of the petition, the county auditor shall provide
 10 to the county voter registration office a statement verifying:
 11 (A) whether a person who signed the petition as a registered
 12 voter but is not a registered voter, as determined by the county
 13 voter registration office, is the owner of real property in the
 14 political subdivision; and
 15 (B) whether a person who signed the petition as an owner of
 16 real property within the political subdivision does in fact own
 17 real property within the political subdivision.
 18 (9) The county voter registration office, not more than ten (10)
 19 business days after determining that at least one hundred
 20 twenty-five (125) persons who signed the petition are registered
 21 voters or after receiving the statement from the county auditor
 22 under subdivision (8) (as applicable), shall make the final
 23 determination of whether a sufficient number of persons have
 24 signed the petition. Whenever the name of an individual who
 25 signs a petition form as a registered voter contains a minor
 26 variation from the name of the registered voter as set forth in the
 27 records of the county voter registration office, the signature is
 28 presumed to be valid, and there is a presumption that the
 29 individual is entitled to sign the petition under this section. Except
 30 as otherwise provided in this chapter, in determining whether an
 31 individual is a registered voter, the county voter registration office
 32 shall apply the requirements and procedures used under IC 3 to
 33 determine whether a person is a registered voter for purposes of
 34 voting in an election governed by IC 3. However, an individual is
 35 not required to comply with the provisions concerning providing
 36 proof of identification to be considered a registered voter for
 37 purposes of this chapter. A person is entitled to sign a petition
 38 only one (1) time in a particular referendum process under this
 39 chapter, regardless of whether the person owns more than one (1)
 40 parcel of real property within the political subdivision and
 41 regardless of whether the person is both a registered voter in the
 42 political subdivision and the owner of real property within the

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1 political subdivision. Notwithstanding any other provision of this
2 section, if a petition is presented to the county voter registration
3 office within forty-five (45) days before an election, the county
4 voter registration office may defer acting on the petition, and the
5 time requirements under this section for action by the county
6 voter registration office do not begin to run until five (5) days
7 after the date of the election.

8 (10) The county voter registration office must file a certificate and
9 each petition with:

10 (A) the township trustee, if the political subdivision is a
11 township, who shall present the petition or petitions to the
12 township board; or

13 (B) the body that has the authority to authorize the issuance of
14 the bonds or the execution of a lease, if the political
15 subdivision is not a township;

16 within thirty-five (35) business days of the filing of the petition
17 requesting the referendum process. The certificate must state the
18 number of petitioners who are owners of real property within the
19 political subdivision and the number of petitioners who are
20 registered voters residing within the political subdivision.

21 (11) If a sufficient petition requesting the local public question
22 process is not filed by owners of real property or registered voters
23 as set forth in this section, the political subdivision may issue
24 bonds or enter into a lease by following the provisions of law
25 relating to the bonds to be issued or lease to be entered into.

26 (c) If the proper officers of a political subdivision make a
27 preliminary determination to issue bonds or enter into a lease, the
28 officers shall provide to the county auditor:

29 (1) a copy of the notice required by subsection (b)(2); and

30 (2) any other information the county auditor requires to fulfill the
31 county auditor's duties under section 3.6 of this chapter.

32 SECTION 18. IC 6-1.1-20-3.6, AS AMENDED BY
33 P.L.182-2009(ss), SECTION 146, IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.6. (a) Except as
35 provided in section 3.7 of this chapter, this section applies only to a
36 controlled project described in section 3.5(a) of this chapter.

37 (b) If a sufficient petition requesting the application of the local
38 public question process has been filed as set forth in section 3.5 of this
39 chapter, a political subdivision may not impose property taxes to pay
40 debt service on bonds or lease rentals on a lease for a controlled project
41 unless the political subdivision's proposed debt service or lease rental
42 is approved in an election on a local public question held under this

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1 section.
2 (c) Except as provided in subsection (j), the following question shall
3 be submitted to the eligible voters at the election conducted under this
4 section:

5 "Shall _____ (insert the name of the political subdivision)
6 issue bonds or enter into a lease to finance _____ (insert
7 a brief description of the controlled project), which is estimated
8 to cost not more than _____ (insert the total cost of the project)
9 and is estimated to increase the property tax rate for debt service
10 by _____ (insert increase in tax rate as determined by the
11 department of local government finance)?"

12 The public question must appear on the ballot in the form approved by
13 the county election board. If the political subdivision proposing to issue
14 bonds or enter into a lease is located in more than one (1) county, the
15 county election board of each county shall jointly approve the form of
16 the public question that will appear on the ballot in each county. The
17 form approved by the county election board may differ from the
18 language certified to the county election board by the county auditor.

19 **If the county election board approves the language of a public**
20 **question under this subsection after June 30, 2010, the county**
21 **election board shall submit the language to the department of local**
22 **government finance for review and approval. The department of**
23 **local government finance shall review the language of the public**
24 **question to ensure that the description of the controlled project is**
25 **accurate and is not biased against either a vote in favor of the**
26 **controlled project or a vote against the controlled project. The**
27 **department of local government finance may approve the ballot**
28 **language or modify and then approve the ballot language as**
29 **necessary to ensure that the description of the controlled project**
30 **is accurate and is not biased. The department of local government**
31 **finance shall certify the ballot language as approved, or as**
32 **modified and approved, to the county auditor not more than ten**
33 **(10) days after the language of the public question is submitted to**
34 **the department for review and approval.**

35 (d) After review and approval of a public question by the
36 department of local government finance under subsection (c), the
37 county auditor shall certify the public question ~~described in subsection~~
38 ~~(c)~~ under IC 3-10-9-3 to the county election board of each county in
39 which the political subdivision is located. The certification must occur
40 not later than noon:

41 (1) sixty (60) days before a primary election if the public question
42 is to be placed on the primary or municipal primary election

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1 ballot; or

2 (2) August 1 if the public question is to be placed on the general
3 or municipal election ballot.

4 Subject to the certification requirements and deadlines under this
5 subsection and except as provided in subsection (j), the public question
6 shall be placed on the ballot at the next primary election, general
7 election, or municipal election in which all voters of the political
8 subdivision are entitled to vote. However, if a primary election, general
9 election, or municipal election will not be held during the first year in
10 which the public question is eligible to be placed on the ballot under
11 this section and if the political subdivision requests the public question
12 to be placed on the ballot at a special election, the public question shall
13 be placed on the ballot at a special election to be held on the first
14 Tuesday after the first Monday in May or November of the year. The
15 certification must occur not later than noon sixty (60) days before a
16 special election to be held in May (if the special election is to be held
17 in May) or noon on August 1 (if the special election is to be held in
18 November). However, in 2009, a political subdivision may hold a
19 special election under this section on any date scheduled for the special
20 election if notice of the special election was given before July 1, 2009,
21 to the election division of the secretary of state's office as provided in
22 IC 3-10-8-4. The fiscal body of the political subdivision that requests
23 the special election shall pay the costs of holding the special election.
24 The county election board shall give notice under IC 5-3-1 of a special
25 election conducted under this subsection. A special election conducted
26 under this subsection is under the direction of the county election
27 board. The county election board shall take all steps necessary to carry
28 out the special election.

29 (e) The circuit court clerk shall certify the results of the public
30 question to the following:

31 (1) The county auditor of each county in which the political
32 subdivision is located.

33 (2) The department of local government finance.

34 (f) Subject to the requirements of IC 6-1.1-18.5-8, the political
35 subdivision may issue the proposed bonds or enter into the proposed
36 lease rental if a majority of the eligible voters voting on the public
37 question vote in favor of the public question.

38 (g) If a majority of the eligible voters voting on the public question
39 vote in opposition to the public question, both of the following apply:

40 (1) The political subdivision may not issue the proposed bonds or
41 enter into the proposed lease rental.

42 (2) Another public question under this section on the same or a

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1 substantially similar project may not be submitted to the voters
2 earlier than one (1) year after the date of the election.

3 (h) IC 3, to the extent not inconsistent with this section, applies to
4 an election held under this section.

5 (i) A political subdivision may not artificially divide a capital
6 project into multiple capital projects in order to avoid the requirements
7 of this section and section 3.5 of this chapter.

8 (j) This subsection applies to a political subdivision for which a
9 petition requesting a public question has been submitted under section
10 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of
11 the political subdivision may adopt a resolution to withdraw a
12 controlled project from consideration in a public question. If the
13 legislative body provides a certified copy of the resolution to the county
14 auditor and the county election board not later than forty-nine (49) days
15 before the election at which the public question would be on the ballot,
16 the public question on the controlled project shall not be placed on the
17 ballot and the public question on the controlled project shall not be
18 held, regardless of whether the county auditor has certified the public
19 question to the county election board. If the withdrawal of a public
20 question under this subsection requires the county election board to
21 reprint ballots, the political subdivision withdrawing the public
22 question shall pay the costs of reprinting the ballots. If a political
23 subdivision withdraws a public question under this subsection that
24 would have been held at a special election and the county election
25 board has printed the ballots before the legislative body of the political
26 subdivision provides a certified copy of the withdrawal resolution to
27 the county auditor and the county election board, the political
28 subdivision withdrawing the public question shall pay the costs
29 incurred by the county in printing the ballots. If a public question on a
30 controlled project is withdrawn under this subsection, a public question
31 under this section on the same controlled project or a substantially
32 similar controlled project may not be submitted to the voters earlier
33 than one (1) year after the date the resolution withdrawing the public
34 question is adopted.

35 (k) If a public question regarding a controlled project is placed on
36 the ballot to be voted on at a public question under this section, the
37 political subdivision shall submit to the department of local
38 government finance, at least thirty (30) days before the election, the
39 following information regarding the proposed controlled project for
40 posting on the department's Internet web site:

41 (1) The cost per square foot of any buildings being constructed as
42 part of the controlled project.

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- 1 (2) The effect that approval of the controlled project would have
- 2 on the political subdivision's property tax rate.
- 3 (3) The maximum term of the bonds or lease.
- 4 (4) The maximum principal amount of the bonds or the maximum
- 5 lease rental for the lease.
- 6 (5) The estimated interest rates that will be paid and the total
- 7 interest costs associated with the bonds or lease.
- 8 (6) The purpose of the bonds or lease.
- 9 (7) In the case of a controlled project proposed by a school
- 10 corporation:

- 11 (A) the current and proposed square footage of school building
- 12 space per student;

- 13 (B) enrollment patterns within the school corporation; and

- 14 (C) the age and condition of the current school facilities.

15 SECTION 19. IC 6-1.1-30-14, AS AMENDED BY P.L.219-2007,
 16 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2010]: Sec. 14. The department of local government finance:

- 18 (1) shall see that the property taxes due this state are collected;

- 19 (2) shall see that the penalties prescribed under this article are
- 20 enforced;

- 21 (3) shall investigate the property tax laws and systems of other
- 22 states and countries;

- 23 (4) for assessment dates after December 31, 2008, shall conduct
- 24 all ratio studies required for:

- 25 (A) equalization under 50 IAC 14; and

- 26 (B) ~~annual~~ adjustments under 50 IAC 21; and

- 27 (5) may recommend changes in this state's property tax laws to the
- 28 general assembly.

29 SECTION 20. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
 30 SECTION 296, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) A declaratory ordinance

32 adopted under section 2 of this chapter and confirmed under section 3
 33 of this chapter must include a provision with respect to the allocation
 34 and distribution of property taxes for the purposes and in the manner
 35 provided in this section. The allocation provision must apply to the
 36 entire economic development district. The allocation provisions must
 37 require that any property taxes subsequently levied by or for the benefit
 38 of any public body entitled to a distribution of property taxes on taxable
 39 property in the economic development district be allocated and
 40 distributed as follows:

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

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

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

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

8 (e) Notwithstanding any other law, the assessed value of all taxable
 9 property in the economic development district, for purposes of tax
 10 limitation, property tax replacement, and formulation of the budget, tax
 11 rate, and tax levy for each political subdivision in which the property
 12 is located, is the lesser of:
 13 (1) the assessed value of the property as valued without regard to
 14 this section; or
 15 (2) the base assessed value.

16 (f) The state board of accounts and department of local government
 17 finance shall make the rules and prescribe the forms and procedures
 18 that they consider expedient for the implementation of this chapter.
 19 After each general reassessment under IC 6-1.1-4, the department of
 20 local government finance shall adjust the base assessed value one (1)
 21 time to neutralize any effect of the general reassessment on the
 22 property tax proceeds allocated to the district under this section. After
 23 each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local
 24 government finance shall adjust the base assessed value to neutralize
 25 any effect of the ~~annual~~ adjustment on the property tax proceeds
 26 allocated to the district under this section. However, the adjustments
 27 under this subsection may not include the effect of property tax
 28 abatements under IC 6-1.1-12.1.

29 (g) As used in this section, "property taxes" means:
 30 (1) taxes imposed under this article on real property; and
 31 (2) any part of the taxes imposed under this article on depreciable
 32 personal property that the unit has by ordinance allocated to the
 33 economic development district. However, the ordinance may not
 34 limit the allocation to taxes on depreciable personal property with
 35 any particular useful life or lives.

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

41 (h) As used in this section, "base assessed value" means:
 42 (1) the net assessed value of all the property as finally determined

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1 for the assessment date immediately preceding the effective date
 2 of the allocation provision of the declaratory resolution, as
 3 adjusted under subsection (f); plus
 4 (2) to the extent that it is not included in subdivision (1), the net
 5 assessed value of property that is assessed as residential property
 6 under the rules of the department of local government finance, as
 7 finally determined for any assessment date after the effective date
 8 of the allocation provision.

9 Subdivision (2) applies only to economic development districts
 10 established after June 30, 1997, and to additional areas established
 11 after June 30, 1997.

12 SECTION 21. IC 6-1.5-3-4 IS ADDED TO THE INDIANA CODE
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 14 1, 2010]: **Sec. 4. (a) As used in this section, "county board" means**
 15 **a county property tax assessment board of appeals.**

16 **(b) Upon request by a county assessor, an employee of the**
 17 **Indiana board may assist taxpayers and local officials in their**
 18 **attempts to voluntarily resolve disputes in which:**

- 19 (1) a taxpayer has filed written notice to obtain a county
- 20 board's review of an action by a township or county official;
- 21 and
- 22 (2) the county board has not given written notice of its
- 23 decision on the issues under review.

24 **(c) If an Indiana board employee assists in attempts to**
 25 **voluntarily resolve a dispute as authorized in subsection (b), the**
 26 **employee may not:**

- 27 (1) act as an administrative law judge on; or
 - 28 (2) participate in a decision relating to;
- 29 a petition for review of the county board's action on that same
 30 dispute.

31 **(d) Notwithstanding any other law, including IC 5-14-1.5, a**
 32 **conference attended by an Indiana board employee acting in the**
 33 **capacity described in subsection (b) is not required to be open to**
 34 **the public. Such a conference may be open to the public only if both**
 35 **the taxpayer and the township or county official from whose action**
 36 **the taxpayer sought review agree to open the conference to the**
 37 **public.**

38 **(e) Notwithstanding any other law, a conference attended by an**
 39 **Indiana board employee acting in the capacity described in**
 40 **subsection (b) is not a proceeding of the Indiana board, and the**
 41 **Indiana board is not required to keep a record of the conference.**

42 SECTION 22. IC 6-1.5-6-3 IS ADDED TO THE INDIANA CODE

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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2010]: **Sec. 3. (a) As used in this section, "county board" means
3 a county property tax assessment board of appeals.**

4 **(b) The Indiana board may adopt rules under IC 4-22-2,
5 including emergency rules under IC 4-22-2-37.1, to establish
6 procedures for its employees to assist taxpayers and local officials
7 in their attempts to informally resolve disputes in which:**

8 **(1) a taxpayer has filed written notice to obtain a county
9 board's review of an action by a township or county official;
10 and**

11 **(2) the county board has not given written notice of its
12 decision on the issues under review.**

13 SECTION 23. IC 6-7-1-31.1 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31.1. (a) The fiscal
15 body of each city and the fiscal body of each town shall, by ordinance
16 or resolution, establish a cumulative capital improvement fund for the
17 city or town. Except as otherwise provided in subsection (c), the city or
18 town may only use money in its cumulative capital improvement fund:
19 to:**

20 **(1) to purchase land, easements, or rights-of-way;**

21 **(2) to purchase buildings;**

22 **(3) to construct or improve city owned property;**

23 **(4) to design, develop, purchase, lease, upgrade, maintain, or
24 repair:**

25 **(A) computer hardware;**

26 **(B) computer software;**

27 **(C) wiring and computer networks; and**

28 **(D) communications access systems used to connect with
29 computer networks or electronic gateways;**

30 **(5) to pay for the services of full-time or part-time computer
31 maintenance employees;**

32 **(6) to conduct nonrecurring in-service technology training of unit
33 employees;**

34 **(7) to undertake Internet application development; or**

35 **(8) to retire general obligation bonds issued by the city or town
36 for one (1) of the purposes stated in subdivision (1), (2), (3), (4),
37 (5), or (6); or**

38 **(9) for any other governmental purpose for which money is
39 appropriated by the fiscal body of the city or town.**

40 **(b) The money in the city's or town's cumulative capital
41 improvement fund does not revert to its general fund.**

42 **(c) A city or town may at any time, by ordinance or resolution,**

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1 transfer to:
 2 (1) its general fund; or
 3 (2) an authority established under IC 36-7-23;
 4 money derived under this chapter that has been deposited in the city's
 5 or town's cumulative capital improvement fund.

6 SECTION 24. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006,
 7 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2010]: Sec. 11. (a) The state board of accounts and the
 9 department of local government finance shall make the rules and
 10 prescribe the forms and procedures that the state board of accounts and
 11 department consider appropriate for the implementation of this chapter.

12 (b) After each general reassessment under IC 6-1.1-4, the
 13 department of local government finance shall adjust the base assessed
 14 value (as defined in section 9 of this chapter) one (1) time to neutralize
 15 any effect of the general reassessment on the property tax proceeds
 16 allocated to the airport development zone's special funds under section
 17 9 of this chapter.

18 (c) 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 (as defined in section 9 of this chapter) to neutralize any effect
 21 of the ~~annual~~ adjustment on the property tax proceeds allocated to the
 22 airport development zone's special funds under section 9 of this
 23 chapter.

24 SECTION 25. IC 20-46-1-7, AS AMENDED BY P.L.182-2009(ss),
 25 SECTION 345, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) This section applies to a
 27 school corporation that added an amount to the school corporation's
 28 base tax levy before 2002 as the result of the approval of an excessive
 29 tax levy by the majority of individuals voting in a referendum held in
 30 the area served by the school corporation under IC 6-1.1-19-4.5 (before
 31 its repeal).

32 (b) A school corporation may adopt a resolution before September
 33 21, 2005, to transfer the power of the school corporation to levy the
 34 amount described in subsection (a) from the school corporation's
 35 general fund to the school corporation's fund. A school corporation that
 36 adopts a resolution under this section shall, as soon as practicable after
 37 adopting the resolution, send a certified copy of the resolution to the
 38 department of local government finance and the county auditor. A
 39 school corporation that adopts a resolution under this section may, for
 40 property taxes first due and payable after 2005, levy an additional
 41 amount for the fund that does not exceed the amount of the excessive
 42 tax levy added to the school corporation's base tax levy before 2002.

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1 (c) The power of the school corporation to impose the levy
2 transferred to the fund under this section expires December 31, 2012,
3 unless:

- 4 (1) the school corporation adopts a resolution to reimpose or
- 5 extend the levy; and
- 6 (2) the levy is approved, before January 1, 2013, by a majority of
- 7 the individuals who vote in a referendum that is conducted in
- 8 accordance with the requirements in this chapter.

9 As soon as practicable after adopting the resolution under subdivision
10 (1), the school corporation shall send a certified copy of the resolution
11 to the **department of local government finance and the** county
12 auditor. However, if requested by the school corporation in the
13 resolution adopted under subdivision (1), the question of reimposing
14 or extending a levy transferred to the fund under this section may be
15 combined with a question presented to the voters to reimpose or extend
16 a levy initially imposed after 2001. A levy reimposed or extended
17 under this subsection shall be treated for all purposes as a levy
18 reimposed or extended under this chapter.

19 (d) The school corporation's levy under this section may not be
20 considered in the determination of the school corporation's state tuition
21 support distribution under IC 20-43 or the determination of any other
22 property tax levy imposed by the school corporation.

23 SECTION 26. IC 20-46-1-8, AS AMENDED BY P.L.146-2008,
24 SECTION 495, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Subject to this chapter, the
26 governing body of a school corporation may adopt a resolution to place
27 a referendum under this chapter on the ballot for either of the following
28 purposes:

- 29 (1) The governing body of the school corporation determines that
- 30 it cannot, in a calendar year, carry out its public educational duty
- 31 unless it imposes a referendum tax levy under this chapter.
- 32 (2) The governing body of the school corporation determines that
- 33 a referendum tax levy under this chapter should be imposed to
- 34 replace property tax revenue that the school corporation will not
- 35 receive because of the application of the credit under
- 36 IC 6-1.1-20.6.

37 (b) The governing body of the school corporation shall certify a
38 copy of the resolution to the **department of local government finance**
39 **and the** county fiscal body of each county in which the school
40 corporation is located.

41 SECTION 27. IC 20-46-1-14, AS AMENDED BY P.L.146-2008,
42 SECTION 499, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The referendum shall be
2 held in the next primary ~~or election~~, general election, **or municipal**
3 **election** in which all the registered voters who are residents of the
4 appellant school corporation are entitled to vote after certification of
5 the question under IC 3-10-9-3. **The certification of the question**
6 **must occur not later than noon:**

- 7 (1) **sixty (60) days before a primary election if the question is**
- 8 **to be placed on the primary or municipal primary election**
- 9 **ballot; or**
- 10 (2) **August 1 if the question is to be placed on the general or**
- 11 **municipal election ballot.**

12 However, if the referendum would be held at a primary or general
13 election more than six (6) months after certification by the county fiscal
14 body; the referendum shall be held at a special election to be conducted
15 not less than ninety (90) days after the question is certified to the
16 circuit court clerk or clerks by the county fiscal body: a **primary**
17 **election, general election, or municipal election will not be held**
18 **during the first year in which the public question is eligible to be**
19 **placed on the ballot under this chapter and if the appellant school**
20 **corporation requests the public question to be placed on the ballot**
21 **at a special election, the public question shall be placed on the**
22 **ballot at a special election to be held on the first Tuesday after the**
23 **first Monday in May or November of the year. The certification**
24 **must occur not later than noon sixty (60) days before a special**
25 **election to be held in May (if the special election is to be held in**
26 **May) or noon on August 1 (if the special election is to be held in**
27 **November).**

28 (b) The school corporation shall advise each affected county
29 election board of the date on which the school corporation desires that
30 the referendum be held; and, if practicable, the referendum shall be
31 held on the day specified by the school corporation.

32 (c) The referendum shall be held under the direction of the county
33 election board, which shall take all steps necessary to carry out the
34 referendum.

35 (d) If a primary election, general election, or special election is held
36 during the sixty (60) days preceding or following the special election
37 described in this section and is held in an election district that includes
38 some, but not all, of the school corporation, the county election board
39 may also adopt orders to specify when the registration period for the
40 elections cease and resume under IC 3-7-13-10.

41 (e) Not less than ten (10) days before the date on which the
42 referendum is to be held, the county election board shall cause notice

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1 of the question that is to be voted upon at the referendum to be
2 published in accordance with IC 5-3-1.

3 (f) (b) If the referendum is not conducted at a primary or election,
4 general election, or municipal election, the appellant school
5 corporation in which the referendum is to be held shall pay all the costs
6 of holding the referendum.

7 SECTION 28. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss),
8 SECTION 349, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2010]: Sec. 6.1. (a) This section does not apply
10 to a school corporation located in South Bend; that elects to adopt a
11 budget under IC 6-1.1-17-5.6, unless a resolution adopted under
12 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
13 in effect.

14 (b) Before a governing body may collect property taxes for the fund
15 in a particular calendar year, the governing body must, after January 1
16 and not later than September 20 of the immediately preceding year:

- 17 (1) conduct a public hearing on; and
- 18 (2) pass a resolution to adopt;

19 a plan.

20 (c) This section expires January 1, 2011.

21 SECTION 29. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss),
22 SECTION 350, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) Except as provided in
24 subsection (b); This section applies only to a school corporation located
25 in South Bend; that elects to adopt a budget under IC 6-1.1-17-5.6.

26 (b) After December 31, 2010; this section applies to all school
27 corporations.

28 (c) This subsection expires January 1, 2011. (b) This section does
29 not apply to the school corporation if a resolution adopted under
30 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
31 in effect.

32 (d) (c) Before the governing body of the school corporation may
33 collect property taxes for the fund in a particular calendar year, the
34 governing body must, after January 1 and on or before February 1 of
35 the immediately preceding year:

- 36 (1) conduct a public hearing on; and
- 37 (2) pass a resolution to adopt;

38 a plan.

39 SECTION 30. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss),
40 SECTION 353, IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section does not apply
42 to a school corporation that is located in South Bend; elects to adopt

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1 **a budget under IC 6-1.1-17-5.6**, unless a resolution adopted under
2 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
3 in effect.

4 (b) Before a governing body may collect property taxes for a capital
5 projects fund in a particular year, the governing body must:

- 6 (1) after January 1; and
 - 7 (2) not later than September 20;
- 8 of the immediately preceding year, hold a public hearing on a proposed
9 or amended plan and pass a resolution to adopt the proposed or
10 amended plan.

11 ~~(c) This section expires January 1, 2011.~~

12 SECTION 31. IC 20-46-6-9, AS AMENDED BY P.L.182-2009(ss),
13 SECTION 354, IS AMENDED TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to
15 a school corporation that ~~is located in South Bend.~~ **elects to adopt a**
16 **budget under IC 6-1.1-17-5.6.** However, this section does not apply
17 to the school corporation if a resolution adopted under
18 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
19 in effect.

20 (b) Before the governing body of the school corporation may collect
21 property taxes for a fund in a particular year, the governing body must:

- 22 (1) after January 1; and
 - 23 (2) before February 2;
- 24 of the immediately preceding year, hold a public hearing on a proposed
25 or amended plan and pass a resolution to adopt the proposed or
26 amended plan.

27 SECTION 32. IC 36-1-8-4 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Subject to**
29 **subsection (c)**, the fiscal body of a political subdivision may, by
30 ordinance or resolution, permit the transfer of a prescribed amount, for
31 a prescribed period, to a fund in need of money for cash flow purposes
32 from another fund of the political subdivision if all these conditions are
33 met:

- 34 (1) It must be necessary to borrow money to enhance the fund that
35 is in need of money for cash flow purposes.
- 36 (2) There must be sufficient money on deposit to the credit of the
37 other fund that can be temporarily transferred.
- 38 (3) Except as provided in subsection (b), the prescribed period
39 must end during the budget year of the year in which the transfer
40 occurs.
- 41 (4) The amount transferred must be returned to the other fund at
42 the end of the prescribed period.

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1 (5) Only revenues derived from the levying and collection of
 2 property taxes or special taxes or from operation of the political
 3 subdivision may be included in the amount transferred.
 4 (b) If the fiscal body of a political subdivision determines that an
 5 emergency exists that requires an extension of the prescribed period of
 6 a transfer under this section, the prescribed period may be extended for
 7 not more than six (6) months beyond the budget year of the year in
 8 which the transfer occurs if the fiscal body does the following:
 9 (1) Passes an ordinance or a resolution that contains the
 10 following:
 11 (A) A statement that the fiscal body has determined that an
 12 emergency exists.
 13 (B) A brief description of the grounds for the emergency.
 14 (C) The date the loan will be repaid that is not more than six
 15 (6) months beyond the budget year in which the transfer
 16 occurs.
 17 (2) Immediately forwards the ordinance or resolution to the state
 18 board of accounts and the department of local government
 19 finance.
 20 (c) **This subsection applies to municipalities. The municipal**
 21 **fiscal body may adopt an ordinance, following a public hearing for**
 22 **which notice is given in accordance with IC 5-3-1, determining that**
 23 **a transfer under subsection (a) is a permanent transfer rather than**
 24 **a transfer for a specific period. However, this subsection does not**
 25 **permit a municipality to permanently transfer revenues derived**
 26 **from:**
 27 **(1) the levying and collection of a property tax or special tax**
 28 **imposed for a special taxing district;**
 29 **(2) the levying and collection of a property tax or special tax**
 30 **imposed to guarantee or pay interest or principal on bonds,**
 31 **notes, debentures, or other evidences of indebtedness or to**
 32 **make lease-rental payments;**
 33 **(3) the levying and collection of a property tax or special tax**
 34 **that was raised for a cumulative fund, except as provided in**
 35 **IC 6-7-1-31.1; or**
 36 **(4) the operation of a utility (as defined in IC 8-1.5-1-10).**
 37 SECTION 33. IC 36-1.5-4-5, AS ADDED BY P.L.186-2006,
 38 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 5. (a) Except as provided
 40 in subsection (b), a reorganization approved under this chapter takes
 41 effect when all of the following have occurred:
 42 (1) The later of:

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1 (A) the date that a copy of a joint certification from the county
2 election board in each county in which reorganizing political
3 subdivisions are located that indicates that:
4 (i) the reorganization has been approved by the voters of
5 each reorganizing political subdivision; or
6 (ii) in the case of a reorganization described in section
7 1(a)(9) of this chapter, the reorganization has been approved
8 as set forth in section 32(b) of this chapter;
9 is recorded as required by section 31 of this chapter; or
10 (B) the date specified in the finally adopted plan of
11 reorganization.
12 (2) The appointed or elected officers of the reorganized political
13 subdivision are elected (as prescribed by section 36 of this
14 chapter) or appointed and qualified, if:
15 (A) the reorganized political subdivision is a new political
16 subdivision and reorganizing political subdivisions are not
17 being consolidated into one (1) of the reorganizing political
18 subdivisions;
19 (B) the reorganized political subdivision will have different
20 boundaries than any of the reorganizing political subdivisions;
21 (C) the reorganized political subdivision will have different
22 appointment or election districts than any of the reorganizing
23 political subdivisions; or
24 (D) the finally adopted plan of reorganization requires new
25 appointed or elected officers before the reorganization
26 becomes effective.
27 (b) A reorganization approved under this chapter may not take effect
28 during the year preceding a year in which a federal decennial census is
29 conducted. A consolidation that would otherwise take effect during the
30 year preceding a year in which a federal decennial census is conducted
31 takes effect January 21 of the year in which a federal decennial census
32 is conducted.
33 (c) **Notwithstanding subsection (b) as that subsection existed on**
34 **December 31, 2009, a reorganization that took effect January 2,**
35 **2010, because of the application of subsection (b), as that**
36 **subsection existed on December 31, 2009, is instead considered to**
37 **take effect January 1, 2010, without the adoption of an amended**
38 **reorganization plan.**
39 SECTION 34. IC 36-2-1-2 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
41 Sec. 2. (a) If the resident voters in a specified territory in two (2) or
42 more contiguous counties desire to change the boundaries of their

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1 respective counties, they may file a petition with the executives of their
 2 respective counties requesting that the territory be transferred. The
 3 petition must:

4 (1) be signed by at least the number of voters resident in the
 5 territory requested to be transferred required to place a candidate
 6 on the ballot under IC 3-8-6-3;

7 (2) contain a clear, distinct description of the requested boundary
 8 change; and

9 (3) not propose to decrease the area of any county below four
 10 hundred (400) square miles in compliance with Article 15,
 11 Section 7 of the Constitution of the State of Indiana.

12 (b) Whenever a petition under subsection (a) is filed with a county
 13 executive, the executive shall determine, at its first meeting after the
 14 petition is filed:

15 (1) whether the signatures on the petition are genuine; and

16 (2) whether the petition complies with subsection (a).

17 (c) If the determinations under subsection (b) are affirmative, the
 18 executive shall certify the question to the county election board of each
 19 affected county. The county election boards shall jointly order a special
 20 election to be held, scheduling the election so that the election is held
 21 on the same date in each county interested in the change, but not later
 22 than thirty (30) days and not on the same date as a general election. The
 23 election shall be conducted under IC 3-10-8-6. All voters of each
 24 interested county are entitled to vote on the question. The question
 25 shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and
 26 must state "Shall the boundaries of _____ County and
 27 _____ County change?".

28 (d) After an election under subsection (c), the clerk of each county
 29 shall make a certified copy of the election returns and not later than
 30 five (5) days after the election file the copy with the auditor of the
 31 county. The auditor shall, not later than five (5) days after the filing of
 32 the returns in the auditor's office, make a true and complete copy of the
 33 returns, certified under the auditor's hand and seal, and deposit the copy
 34 with the auditor of every other county interested in the change.

35 (e) After copies have been filed under subsection (d), the auditor of
 36 each county shall call a meeting of the executive of the county, which
 37 shall examine the returns. If a majority of the voters of each interested
 38 county voted in favor of change, the executive shall:

39 (1) enter an order declaring their boundaries to be changed as
 40 described in the petition; and

41 (2) if the county has received territory from the transfer, adopt
 42 revised descriptions of:

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1 (A) county commissioner districts under IC 36-2-2-4; and
2 (B) county council districts under IC 36-2-3-4;
3 so that the transferred territory is assigned to at least one (1) county
4 commissioner district and at least one (1) county council district.

5 (f) The executive of each county shall file a copy of the order
6 described in subsection (e)(1) with:

- 7 (1) the office of the secretary of state; and
- 8 (2) the circuit court clerk of the county.

9 Except as provided in subsection (g), the transfer of territory becomes
10 effective when the last county order is filed under this subsection.

11 (g) An order declaring county boundaries to be changed may not
12 take effect during the year preceding a year in which a federal
13 decennial census is conducted. An order that would otherwise take
14 effect during the year preceding a year in which a federal decennial
15 census is conducted takes effect January 2 of the year in which a
16 federal decennial census is conducted.

17 (h) An election under this section may be held only once every three
18 (3) years.

19 (i) **Notwithstanding subsection (g) as that subsection existed on**
20 **December 31, 2009, a boundary change that took effect January 2,**
21 **2010, because of the application of subsection (g), as that**
22 **subsection existed on December 31, 2009, is instead considered to**
23 **take effect January 1, 2010, without an amended order or any**
24 **other additional action being required.**

25 SECTION 35. IC 36-3-2-7 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
27 Sec. 7. (a) This section governs the transfer of territory that is either:

- 28 (1) inside the corporate boundaries of the consolidated city and
29 contiguous to an excluded city; or
- 30 (2) inside the corporate boundaries of an excluded city and
31 contiguous to the consolidated city.

32 IC 36-4-3 does not apply to such a transfer.

33 (b) If the owners of land located in territory described in subsection
34 (a) want to have that territory transferred from one (1) municipality to
35 the other, they must file:

- 36 (1) a petition for annexation of that territory with the legislative
37 body of the contiguous municipality; and
- 38 (2) a petition for disannexation of that territory with the legislative
39 body of the municipality containing that territory.

40 Each petition must be signed by at least fifty-one percent (51%) of the
41 owners of land in the territory sought to be transferred. The territory
42 must be reasonably compact in configuration, and its boundaries must

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1 generally follow streets or natural boundaries.

2 (c) Each legislative body shall, not later than sixty (60) days after a

3 petition is filed with it under subsection (b), either approve or

4 disapprove the petition, with the following results:

5 (1) Except as provided in subsection (g), if both legislative bodies

6 approve, the transfer of territory takes effect:

7 (A) on the effective date of the approval of the latter

8 legislative body to act; and

9 (B) when a copy of each transfer approval has been filed under

10 subsection (f).

11 (2) If the legislative body of the contiguous municipality

12 disapproves or fails to act within the prescribed period, the

13 proceedings are terminated.

14 (3) If the legislative body of the contiguous municipality approves

15 but the legislative body of the other municipality disapproves or

16 fails to act within the prescribed period, the proceedings are

17 terminated unless there is an appeal under subsection (d).

18 (d) In the case described by subsection (c)(3), the petitioners may,

19 not later than sixty (60) days after the disapproval or expiration of the

20 prescribed period, appeal to the circuit court. The appeal must allege

21 that the benefits to be derived by the petitioners from the transfer

22 outweigh the detriments to the municipality that has failed to approve,

23 which is defendant in the appeal.

24 (e) The court shall try an appeal under subsection (d) as other civil

25 actions, but without a jury. If the court determines that:

26 (1) the requirements of this section have been met; and

27 (2) the benefits to be derived by the petitioners outweigh the

28 detriments to the municipality;

29 it shall order the transfer of territory to take effect on the date its order

30 becomes final, subject to subsection (g), and shall file the order under

31 subsection (f). However, if the municipality, or a district of it, is

32 furnishing sanitary sewer service or municipal water service in the

33 territory, or otherwise has expended substantial sums for public

34 facilities (other than roads) specially benefiting the territory, the court

35 shall deny the transfer.

36 (f) A municipal legislative body that approves a transfer of territory

37 under subsection (c) or a court that approves a transfer under

38 subsection (e) shall file a copy of the approval or order, setting forth a

39 legal description of the territory to be transferred, with:

40 (1) the office of the secretary of state; and

41 (2) the circuit court clerk of each county in which the

42 municipality is located.

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1 (g) A transfer of territory under this section may not take effect
 2 during the year preceding a year in which a federal decennial census is
 3 conducted. A transfer of territory that would otherwise take effect
 4 during the year preceding a year in which a federal decennial census is
 5 conducted takes effect January 2 1 of the year in which a federal
 6 decennial census is conducted.

7 (h) A petition for annexation or disannexation under this section
 8 may not be filed with respect to land as to which a transfer of territory
 9 has been disapproved or denied within the preceding three (3) years.

10 (i) The legislative body of a municipality annexing territory under
 11 this section shall assign the territory to at least one (1) municipal
 12 legislative body district under IC 36-3-4-3 or IC 36-4-6 not later than
 13 thirty (30) days after the transfer of territory becomes effective under
 14 this section.

15 **(j) Notwithstanding subsection (g) as that subsection existed on**
 16 **December 31, 2009, a transfer of territory that took effect January**
 17 **2, 2010, because of the application of subsection (g), as that**
 18 **subsection existed on December 31, 2009, is instead considered to**
 19 **take effect January 1, 2010, without any additional action being**
 20 **required.**

21 SECTION 36. IC 36-4-2-9 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 23 Sec. 9. (a) Except as provided in subsection (c), a merger approved
 24 under this chapter takes effect when:

- 25 (1) the officers of the new municipality are elected and qualified,
 26 as prescribed by section 13 of this chapter; and
 27 (2) a copy of the agreement under section 2 of this chapter or the
 28 certified election results under section 7 of this chapter are filed
 29 with:

- 30 (A) the office of the secretary of state; and
 31 (B) the circuit court clerk of each county in which the
 32 municipality is located.

33 (b) On the effective date of the merger, the merging municipalities
 34 cease to exist and are merged into a single municipality of the class
 35 created by the combined population of the merging municipalities. The
 36 new municipality shall be governed by the laws applicable to that class.

37 (c) A merger approved under this chapter may not take effect during
 38 the year preceding a year in which a federal decennial census is
 39 conducted. A merger that would otherwise take effect during the year
 40 preceding a year in which a federal decennial census is conducted takes
 41 effect January 2 1 of the year in which a federal decennial census is
 42 conducted.

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1 (d) Notwithstanding subsection (c) as that subsection existed on
2 December 31, 2009, a merger that took effect January 2, 2010,
3 because of the application of subsection (c), as that subsection
4 existed on December 31, 2009, is instead considered to take effect
5 January 1, 2010, without any additional action being required.

6 SECTION 37. IC 36-4-3-7 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
8 Sec. 7. (a) After an ordinance is adopted under section 3, 4, 5, or 5.1 of
9 this chapter, it must be published in the manner prescribed by IC 5-3-1.
10 Except as provided in subsection (b), (c), or (f), in the absence of
11 remonstrance and appeal under section 11 or 15.5 of this chapter, the
12 ordinance takes effect at least ninety (90) days after its publication and
13 upon the filing required by section 22(a) of this chapter.

14 (b) An ordinance described in subsection (d) or adopted under
15 section 3, 4, 5, or 5.1 of this chapter may not take effect during the year
16 preceding a year in which a federal decennial census is conducted. An
17 ordinance that would otherwise take effect during the year preceding
18 a year in which a federal decennial census is conducted takes effect
19 January 2 1 of the year in which a federal decennial census is
20 conducted.

21 (c) Subsections (d) and (e) apply to fire protection districts that are
22 established after June 14, 1987.

23 (d) Except as provided in subsection (b), whenever a municipality
24 annexes territory, all or part of which lies within a fire protection
25 district (IC 36-8-11), the annexation ordinance (in the absence of
26 remonstrance and appeal under section 11 or 15.5 of this chapter) takes
27 effect the second January 1 that follows the date the ordinance is
28 adopted and upon the filing required by section 22(a) of this chapter.
29 The municipality shall:

- 30 (1) provide fire protection to that territory beginning the date the
31 ordinance is effective; and
- 32 (2) send written notice to the fire protection district of the date the
33 municipality will begin to provide fire protection to the annexed
34 territory within ten (10) days of the date the ordinance is adopted.

35 (e) If the fire protection district from which a municipality annexes
36 territory under subsection (d) is indebted or has outstanding unpaid
37 bonds or other obligations at the time the annexation is effective, the
38 municipality is liable for and shall pay that indebtedness in the same
39 ratio as the assessed valuation of the property in the annexed territory
40 (that is part of the fire protection district) bears to the assessed
41 valuation of all property in the fire protection district, as shown by the
42 most recent assessment for taxation before the annexation, unless the

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1 assessed property within the municipality is already liable for the
 2 indebtedness. The annexing municipality shall pay its indebtedness
 3 under this section to the board of fire trustees. If the indebtedness
 4 consists of outstanding unpaid bonds or notes of the fire protection
 5 district, the payments to the board of fire trustees shall be made as the
 6 principal or interest on the bonds or notes becomes due.

7 (f) This subsection applies to an annexation initiated by property
 8 owners under section 5.1 of this chapter in which all property owners
 9 within the area to be annexed petition the municipality to be annexed.
 10 Subject to subsections (b) and (d), and in the absence of an appeal
 11 under section 15.5 of this chapter, an annexation ordinance takes effect
 12 at least thirty (30) days after its publication and upon the filing required
 13 by section 22(a) of this chapter.

14 SECTION 38. IC 36-4-3-12 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 16 Sec. 12. (a) The circuit or superior court shall:

17 (1) on the date fixed under section 11 of this chapter, hear and
 18 determine the remonstrance without a jury; and

19 (2) without delay, enter judgment on the question of the
 20 annexation according to the evidence that either party may
 21 introduce.

22 (b) If the court enters judgment in favor of the annexation, the
 23 annexation may not take effect during the year preceding the year in
 24 which a federal decennial census is conducted. An annexation that
 25 would otherwise take effect during the year preceding a year in which
 26 a federal decennial census is conducted takes effect January 21 of the
 27 year in which a federal decennial census is conducted.

28 SECTION 39. IC 36-4-3-15.5 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:

30 Sec. 15.5. (a) Except as provided in subsection (b), an owner of land
 31 within one-half (1/2) mile of territory proposed to be annexed under
 32 this chapter may, not later than sixty (60) days after the publication of
 33 the annexation ordinance, appeal that annexation to a circuit court or
 34 superior court of a county in which the annexed territory is located. The
 35 complaint must state that the reason the annexation should not take
 36 place is that the territory sought to be annexed is not contiguous to the
 37 annexing municipality.

38 (b) This subsection applies to an annexation initiated by property
 39 owners under section 5.1 of this chapter in which all property owners
 40 within the area to be annexed petition the municipality to be annexed.
 41 An owner of land within one-half (1/2) mile of the territory proposed
 42 to be annexed under this chapter may, not later than thirty (30) days

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1 after the publication of the annexation ordinance, appeal that
2 annexation to a circuit court or superior court of a county in which the
3 annexed territory is located. The complaint must state that the reason
4 the annexation should not take place is that the territory sought to be
5 annexed is not contiguous to the annexing municipality.

6 (c) Upon the determination of the court that the complaint is
7 sufficient, the judge shall fix a time for a hearing to be held not later
8 than sixty (60) days after the determination. Notice of the proceedings
9 shall be served by summons upon the proper officers of the annexing
10 municipality. The municipality shall become a defendant in the cause
11 and be required to appear and answer. The judge of the circuit or
12 superior court shall, upon the date fixed, proceed to hear and determine
13 the appeal without a jury, and shall, without delay, give judgment upon
14 the question of the annexation according to the evidence introduced by
15 the parties. If the evidence establishes that the territory sought to be
16 annexed is contiguous to the annexing municipality, the court shall
17 deny the appeal and dismiss the proceeding. If the evidence does not
18 establish the foregoing factor, the court shall issue an order to prevent
19 the proposed annexation from taking effect. The laws providing for
20 change of venue from the county do not apply, but changes of venue
21 from the judge may be had. Costs follow judgment. Pending the appeal,
22 and during the time within which the appeal may be taken, the territory
23 sought to be annexed is not a part of the annexing municipality.

24 (d) If the court enters a judgment in favor of the municipality, the
25 annexation may not take effect during the year preceding a year in
26 which a federal decennial census is conducted. An annexation that
27 would otherwise take effect during the year preceding a year in which
28 a federal decennial census is conducted takes effect January 1 of the
29 year in which a federal decennial census is conducted.

30 SECTION 40. IC 36-4-3-19 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
32 Sec. 19. (a) If disannexation is ordered under this chapter by the works
33 board of a municipality and no appeal is taken, the clerk of the
34 municipality shall, without compensation and not later than ten (10)
35 days after the order is made, make and certify a complete transcript of
36 the disannexation proceedings to the auditor of each county in which
37 the disannexed lots or lands lie and to the office of the secretary of
38 state. The county auditor shall list those lots or lands appropriately for
39 taxation. The proceedings of the works board shall not be certified to
40 the county auditor or to the office of the secretary of state if an appeal
41 to the circuit court has been taken.

42 (b) In all proceedings begun in or appealed to the circuit court, if

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1 vacation or disannexation is ordered, the clerk of the court shall
2 immediately after the judgment of the court, or after a decision on
3 appeal to the supreme court or court of appeals if the judgment on
4 appeal is not reversed, certify the judgment of the circuit court, as
5 affirmed or modified, to each of the following:

- 6 (1) The auditor of each county in which the lands or lots affected
- 7 lie, on receipt of one dollar (\$1) for the making and certifying of
- 8 the transcript from the petitioners for the disannexation.
- 9 (2) The office of the secretary of state.
- 10 (3) The circuit court clerk of each county in which the lands or
- 11 lots affected are located.
- 12 (4) The county election board of each county in which the lands
- 13 or lots affected are located.
- 14 (5) If a board of registration exists, the board of each county in
- 15 which the lands or lots affected are located.
- 16 (6) The office of census data established by IC 2-5-1.1-12.2.

17 (c) The county auditor shall forward a list of lots or lands
18 disannexed under this section to the following:

- 19 (1) The county highway department of each county in which the
- 20 lands or lots affected are located.
- 21 (2) The county surveyor of each county in which the lands or lots
- 22 affected are located.
- 23 (3) Each plan commission, if any, that lost or gained jurisdiction
- 24 over the disannexed territory.
- 25 (4) The township trustee of each township that lost or gained
- 26 jurisdiction over the disannexed territory.
- 27 (5) The sheriff of each county in which the lands or lots affected
- 28 are located.
- 29 (6) The office of the secretary of state.
- 30 (7) The office of census data established by IC 2-5-1.1-12.2.

31 The county auditor may require the clerk of the municipality to furnish
32 an adequate number of copies of the list of disannexed lots or lands or
33 may charge the clerk a fee for photoreproduction of the list.

34 (d) A disannexation described by this section takes effect upon the
35 clerk of the municipality filing the order with:

- 36 (1) the county auditor of each county in which the annexed
- 37 territory is located; and
- 38 (2) the circuit court clerk, or if a board of registration exists, the
- 39 board of each county in which the annexed territory is located.

40 (e) The clerk of the municipality shall notify the office of the
41 secretary of state and the office of census data established by
42 IC 2-5-1.1-12.2 of the date a disannexation is effective under this

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1 chapter.

2 (f) A disannexation order under this chapter may not take effect
3 during the year preceding a year in which a federal decennial census is
4 conducted. A disannexation order that would otherwise take effect
5 during the year preceding a year in which a federal decennial census is
6 conducted takes effect January ~~2~~ **1** of the year in which a federal
7 decennial census is conducted.

8 SECTION 41. IC 36-4-3-23 IS ADDED TO THE INDIANA CODE
9 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE
10 JANUARY 1, 2010 (RETROACTIVE)]: **Sec. 23. Notwithstanding**
11 **sections 7, 12, 15.5, and 19 of this chapter, as those sections existed**
12 **on December 31, 2009, an annexation or disannexation that took**
13 **effect January 2, 2010, because of the application of section 7(b),**
14 **12(b), 15.5(d), or 19(f) of this chapter, as those sections existed on**
15 **December 31, 2009, is instead considered to take effect January 1,**
16 **2010, without the adoption of an amended ordinance or the entry**
17 **of an amended judgment or order under this chapter.**

18 SECTION 42. IC 36-4-7-11, AS AMENDED BY P.L.169-2006,
19 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2010]: Sec. 11. If the city legislative body does not pass the
21 ordinance required by section 7 of this chapter before ~~October 1~~ **+**
22 **November 2** of each year, the most recent annual appropriations and
23 annual tax levy are continued for the ensuing budget year.

24 SECTION 43. IC 36-5-1-10.1 IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
26 Sec. 10.1. (a) Except as provided in subsection (g), if the county
27 executive makes the findings required by section 8 of this chapter, it
28 may adopt an ordinance incorporating the town. The ordinance must:

29 (1) provide that:

30 (A) all members of the town legislative body are to be elected
31 at large (if the town would have a population of less than three
32 thousand five hundred (3,500)); or

33 (B) divide the town into not less than three (3) nor more than
34 seven (7) districts; and

35 (2) direct the county election board to conduct an election in the
36 town on the date of the next general or municipal election to be
37 held in any precincts in the county.

38 An election conducted under this section must comply with IC 3
39 concerning town elections. If, on the date that an ordinance was
40 adopted under this section, absentee ballots for a general or municipal
41 election have been delivered under IC 3-11-4-15 for voters within a
42 precinct in the town, the election must be conducted on the date of the

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1 next general or municipal election held in any precincts in the county
2 after the election for which absentee balloting is being conducted.
3 However, a primary election may not be conducted before an election
4 conducted under this section, regardless of the population of the town.

5 (b) Districts established by an ordinance adopted under this section
6 must comply with IC 3-11-1.5.

7 (c) If any territory in the town is not included in one (1) of the
8 districts established under this section, the territory is included in the
9 district that:

- 10 (1) is contiguous to that territory; and
- 11 (2) contains the least population of all districts contiguous to that
12 territory.

13 (d) If any territory in the town is included in more than one (1) of
14 the districts established under this section, the territory is included in
15 the district that:

- 16 (1) is one (1) of the districts in which the territory is described in
17 the ordinance adopted under this section;
- 18 (2) is contiguous to that territory; and
- 19 (3) contains the least population of all districts contiguous to that
20 territory.

21 (e) Except as provided in subsection (f), an ordinance adopted under
22 this section becomes effective when filed with:

- 23 (1) the office of the secretary of state; and
- 24 (2) the circuit court clerk of each county in which the town is
25 located.

26 (f) An ordinance incorporating a town under this section may not
27 take effect during the year preceding a year in which a federal
28 decennial census is conducted. An ordinance under this section that
29 would otherwise take effect during the year preceding a year in which
30 a federal decennial census is conducted takes effect January 21 of the
31 year in which a federal decennial census is conducted.

32 (g) Proceedings to incorporate a town across county boundaries
33 must have the approval of the county executive of each county that
34 contains a part of the proposed town. Each county that contains a part
35 of the proposed town must adopt identical ordinances providing for the
36 incorporation of the town.

37 **(h) Notwithstanding subsection (f) as that subsection existed on**
38 **December 31, 2009, an ordinance that took effect January 2, 2010,**
39 **because of the application of subsection (f), as that subsection**
40 **existed on December 31, 2009, is instead considered to take effect**
41 **January 1, 2010, without the adoption of an ordinance or an**
42 **amended ordinance or any other additional action being required.**

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1 SECTION 44. IC 36-5-1-18 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 3 Sec. 18. (a) If at least two-thirds (2/3) of the votes cast in an election
 4 under section 16 of this chapter are affirmative, and at least four-fifths
 5 (4/5) of all the voters listed in the census voted in the election, the
 6 dissolution or change of name takes effect in the manner prescribed by
 7 this section.

8 (b) A change of name takes effect thirty (30) days after the filing of
 9 the statement required by section 17 of this chapter.

10 (c) Except as provided in subsection (d), a dissolution takes effect
 11 six (6) months after the filing of the statement required by section 17
 12 of this chapter. The property owned by the town after payment of debts
 13 and liabilities shall be disposed of in the manner chosen by a majority
 14 of the voters of the town at a special election for that purpose.
 15 Dissolution of a town does not affect the validity of a contract to which
 16 the town is a party.

17 (d) A dissolution under this chapter may not take effect during the
 18 year preceding a year in which a federal decennial census is conducted.
 19 A dissolution that would otherwise take effect during the year
 20 preceding a year in which a federal decennial census is conducted takes
 21 effect January 2 1 of the year in which a federal decennial census is
 22 conducted.

23 **(e) Notwithstanding subsection (d) as that subsection existed on**
 24 **December 31, 2009, a dissolution that took effect January 2, 2010,**
 25 **because of the application of subsection (d), as that subsection**
 26 **existed on December 31, 2009, is instead considered to take effect**
 27 **January 1, 2010, without any additional action being required.**

28 SECTION 45. IC 36-5-1.1-9 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 30 Sec. 9. (a) A person aggrieved by a decision made by the county
 31 executive under section 6 of this chapter may, within thirty (30) days,
 32 appeal that decision or result to the circuit court for the county
 33 containing more than fifty percent (50%) in assessed valuation of the
 34 land in the town. The appeal is instituted by giving written notice to the
 35 clerk of the circuit court and filing with the county executive a bond for
 36 five hundred dollars (\$500), with surety approved by the county
 37 executive. The bond must provide:

- 38 (1) that the appeal will be duly prosecuted; and
 39 (2) that the appellants will pay all costs if the appeal is decided
 40 against them.

41 (b) When an appeal is instituted, the county executive shall file with
 42 the clerk of the circuit court a transcript of all proceedings in the case,

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1 together with all papers filed in the case. The county executive may not
 2 take further action in the case until the appeal is heard and determined.
 3 (c) An appeal under this section shall be heard by the circuit court
 4 without a jury. Change of venue from the judge may be granted, but
 5 change of venue from the county may not be granted. If the court orders
 6 the dissolution to take place, the circuit court clerk shall, immediately
 7 after the judgment of the court, certify the judgment of the circuit court
 8 to:
 9 (1) the clerk of the municipality;
 10 (2) the circuit court clerk of any other county in which the town
 11 is located; and
 12 (3) the office of the secretary of state.
 13 (d) Except as provided in subsection (e), the dissolution takes effect
 14 sixty (60) days after the order is certified.
 15 (e) A dissolution under this section may not take effect during the
 16 year preceding a year in which a federal decennial census is conducted.
 17 A dissolution under this section that would otherwise take effect during
 18 the year preceding the year in which the federal decennial census is
 19 conducted takes effect January 2 of the year in which a federal
 20 decennial census is conducted.
 21 **(f) Notwithstanding subsection (e) as that subsection existed on**
 22 **December 31, 2009, a dissolution that took effect January 2, 2010,**
 23 **because of the application of subsection (e), as that subsection**
 24 **existed on December 31, 2009, is instead considered to take effect**
 25 **January 1, 2010, without any additional action being required.**
 26 SECTION 46. IC 36-5-1.1-10 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 28 Sec. 10. (a) If the county executive approves dissolution under section
 29 6 of this chapter, the county executive shall adopt:
 30 (1) an ordinance; or
 31 (2) an order in a county having a consolidated city;
 32 dissolving the town.
 33 (b) Except as provided in subsection (e), a dissolution takes effect:
 34 (1) at least sixty (60) days after the ordinance or order under
 35 subsection (a) is adopted; and
 36 (2) when the county auditor files a copy of the ordinance or order
 37 with:
 38 (A) the circuit court clerk of each county in which the town is
 39 located; and
 40 (B) the office of the secretary of state.
 41 (c) The property owned by the town after payment of debts and
 42 liabilities shall be disposed of by the county executive. Any proceeds

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remaining shall be deposited in the county general fund. Dissolution of a town does not affect the validity of a contract to which the town is a party.

(d) After dissolution, the books and records of the town become the property of the county executive for safekeeping.

(e) A dissolution under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution under this section that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 1 of the year in which a federal decennial census is conducted.

(f) Notwithstanding subsection (e) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (e), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 47. IC 36-5-1.1-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 10.5. (a) This section applies to the dissolution of an included town.

(b) The town legislative body may adopt a resolution to consider dissolution of the town under this section. The resolution must state the following:

- (1) That the town legislative body conduct a public hearing at a stated date, place, and time concerning the dissolution of the town.
- (2) That the town legislative body will hear all statements presented in favor of or in opposition to dissolution.
- (3) That the town legislative body may adopt an ordinance to dissolve the town at the conclusion of the public hearing.

(c) The town clerk shall publish a notice of the public hearing in accordance with IC 5-3-1.

(d) The town legislative body may continue a public hearing under this section. If a hearing is continued, the clerk is not required to publish an additional notice under subsection (c).

(e) The town legislative body may adopt an ordinance following the conclusion of the public hearing under subsection (b). The town clerk shall file a copy of the ordinance with:

- (1) the circuit court clerk of the county; and
- (2) the office of the secretary of state.

(f) Except as provided in subsection (g), the ordinance dissolving the town takes effect:

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- 1 (1) at least sixty (60) days after adoption; and
 2 (2) when the ordinance is filed under subsection (e).
- 3 (g) A dissolution under this section may not take effect during the
 4 year preceding a year in which a federal decennial census is conducted.
 5 A dissolution under this section that would otherwise take effect during
 6 the year preceding a year in which the federal decennial census is
 7 conducted takes effect January 2 of the year in which a federal
 8 decennial census is conducted.
- 9 (h) When an ordinance dissolving a town becomes effective:
 10 (1) the territory included within the town when the ordinance was
 11 adopted becomes a part of the consolidated city;
 12 (2) the books and records of the town become the property of the
 13 county executive;
 14 (3) the property owned by the town after payment of debts and
 15 liabilities shall be disposed of by the county executive; and
 16 (4) the county executive shall deposit any proceeds remaining
 17 after payment of debts and liabilities into the county general fund.
- 18 (i) The dissolution of a town under this section does not affect the
 19 validity of a contract to which the town is a party.
- 20 (j) **Notwithstanding subsection (g) as that subsection existed on**
 21 **December 31, 2009, a dissolution that took effect January 2, 2010,**
 22 **because of the application of subsection (g), as that subsection**
 23 **existed on December 31, 2009, is instead considered to take effect**
 24 **January 1, 2010, without any additional action being required.**
- 25 SECTION 48. IC 36-5-1.1-10.6 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 27 Sec. 10.6. (a) This section applies to included towns.
- 28 (b) The dissolution of a town under this section may be instituted by
 29 filing a petition with the county board of registration. The petition must
 30 be signed by at least the number of the registered voters of the town
 31 required to place a candidate on the ballot under IC 3-8-6-3. The
 32 petition must be filed not later than June 1 of a year in which a general
 33 or municipal election will be held.
- 34 (c) If a petition meets the criteria set forth in subsection (b), the
 35 county board of registration shall certify the public question to the
 36 county election board under IC 3-10-9-3. The county election board
 37 shall place the question of dissolution on the ballot provided for voters
 38 in the included town at the first general or municipal election following
 39 certification. The question shall be placed on the ballot in the form
 40 prescribed by IC 3-10-9-4 and must state "Shall the town of _____
 41 dissolve?".
- 42 (d) If the public question is approved by a majority of the voters

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1 voting on the question, the county election board shall file a copy of the
 2 certification prepared under IC 3-12-4-9 concerning the public question
 3 described by this section with the following:

4 (1) The circuit court clerk of the county.

5 (2) The office of the secretary of state.

6 (e) Except as provided in subsection (f), dissolution occurs:

7 (1) at least sixty (60) days after certification under IC 3-12-4-9;
 8 and

9 (2) when the certification is filed under subsection (d).

10 (f) A dissolution under this section may not take effect during the
 11 year preceding a year in which a federal decennial census is conducted.
 12 A dissolution under this section that would otherwise take effect during
 13 the year preceding a year in which the federal decennial census is
 14 conducted takes effect January 2 1 of the year in which a federal
 15 decennial census is conducted.

16 (g) When a town is dissolved under this section:

17 (1) the territory included within the town when the ordinance was
 18 adopted becomes a part of the consolidated city;

19 (2) the books and records of the town become the property of the
 20 county executive;

21 (3) the property owned by the town after payment of debts and
 22 liabilities shall be disposed of by the county executive; and

23 (4) the county executive shall deposit any proceeds remaining
 24 after payment of debts and liabilities into the county general fund.

25 (h) The dissolution of a town under this section does not affect the
 26 validity of a contract to which the town is a party.

27 **(i) Notwithstanding subsection (f) as that subsection existed on**
 28 **December 31, 2009, a dissolution that took effect January 2, 2010,**
 29 **because of the application of subsection (f), as that subsection**
 30 **existed on December 31, 2009, is instead considered to take effect**
 31 **January 1, 2010, without any additional action being required.**

32 SECTION 49. IC 36-6-1-3 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 34 Sec. 3. (a) When part of a township is owned by the state or the United
 35 States, devoted to a public use, and withdrawn from taxation for local
 36 purposes, and:

37 (1) less than eighteen (18) square miles of the township remains
 38 subject to taxation; or

39 (2) the township is divided into two (2) or more separate sections
 40 by the government owned part;

41 the county executive may issue an order to alter the boundaries of the
 42 township and adjoining townships on receipt of a petition signed by at

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1 least thirty-five percent (35%) of the resident freeholders of a part of
2 the township adjoining another township.

3 (b) Except as provided in subsection (c), a boundary alteration under
4 this section is effective when a copy of the order is filed with:

- 5 (1) the circuit court clerk; and
- 6 (2) the office of the secretary of state.

7 (c) A boundary alteration under this section may not take effect
8 during the year preceding a year in which a federal decennial census is
9 conducted. A boundary alteration that would otherwise take effect
10 during the year preceding a year in which a federal decennial census is
11 conducted takes effect January 1 of the year in which a federal
12 decennial census is conducted.

13 **(d) Notwithstanding subsection (c) as that subsection existed on**
14 **December 31, 2009, a boundary alteration that took effect January**
15 **2, 2010, because of the application of subsection (c), as that**
16 **subsection existed on December 31, 2009, is instead considered to**
17 **take effect January 1, 2010, without any additional action being**
18 **required.**

19 SECTION 50. IC 36-7-14-39, AS AMENDED BY
20 P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 39. (a) As used in this
22 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); 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:

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1 (A) the net assessed value of all the property as finally
 2 determined for the assessment date immediately preceding the
 3 effective date of the allocation provision of the declaratory
 4 resolution, as adjusted under subsection (h); plus
 5 (B) to the extent that it is not included in clause (A), the net
 6 assessed value of property that is assessed as residential
 7 property under the rules of the department of local government
 8 finance, as finally determined for any assessment date after the
 9 effective date of the allocation provision.

10 (3) If:
 11 (A) an allocation provision adopted before June 30, 1995, in
 12 a declaratory resolution or an amendment to a declaratory
 13 resolution establishing a redevelopment project area expires
 14 after June 30, 1997; and
 15 (B) after June 30, 1997, a new allocation provision is included
 16 in an amendment to the declaratory resolution;
 17 the net assessed value of all the property as finally determined for
 18 the assessment date immediately preceding the effective date of
 19 the allocation provision adopted after June 30, 1997, as adjusted
 20 under subsection (h).

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

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

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

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

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

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

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

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

38 (B) the base assessed value;

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

41 (2) Except as otherwise provided in this section, property tax
 42 proceeds in excess of those described in subdivision (1) shall be

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allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

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

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

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

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

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

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

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

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

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

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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property tax proceeds exceed the amount necessary to do the following:

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

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).
- (B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:
 - (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
 - (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation

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1 of assessed value to the respective taxing units under this
2 subdivision if to do so would endanger the interests of the
3 holders of bonds described in subdivision (2) or lessors under
4 section 25.3 of this chapter.

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

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

13 (d) Property tax proceeds allocable to the redevelopment district
14 under subsection (b)(2) may, subject to subsection (b)(3), be
15 irrevocably pledged by the redevelopment district for payment as set
16 forth in subsection (b)(2).

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

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

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

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

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

18 (h) The state board of accounts and department of local government
 19 finance shall make the rules and prescribe the forms and procedures
 20 that they consider expedient for the implementation of this chapter.
 21 After each general reassessment under IC 6-1.1-4, the department of
 22 local government finance shall adjust the base assessed value one (1)
 23 time to neutralize any effect of the general reassessment on the
 24 property tax proceeds allocated to the redevelopment district under this
 25 section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
 26 department of local government finance shall adjust the base assessed
 27 value one (1) time to neutralize any effect of the ~~annual~~ adjustment on
 28 the property tax proceeds allocated to the redevelopment district under
 29 this section. However, the adjustments under this subsection may not
 30 include the effect of property tax abatements under IC 6-1.1-12.1, and
 31 these adjustments may not produce less property tax proceeds allocable
 32 to the redevelopment district under subsection (b)(2) than would
 33 otherwise have been received if the general reassessment or ~~annual~~
 34 adjustment had not occurred. The department of local government
 35 finance may prescribe procedures for county and township officials to
 36 follow to assist the department in making the adjustments.

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

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

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1 subsequent to the initial allocation deadline fall on December 31,
 2 2016, and December 31 of each fifth year thereafter.
 3 (3) At least one (1) year before the date of an allocation deadline
 4 determined under subdivision (2), the general assembly may enact
 5 a law that:
 6 (A) terminates the automatic extension of allocation deadlines
 7 under subdivision (2); and
 8 (B) specifically designates a particular date as the final
 9 allocation deadline.
 10 SECTION 51. IC 36-7-15.1-26, AS AMENDED BY
 11 P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 26. (a) As used in this
 13 section:
 14 "Allocation area" means that part of a redevelopment project area
 15 to which an allocation provision of a resolution adopted under section
 16 8 of this chapter refers for purposes of distribution and allocation of
 17 property taxes.
 18 "Base assessed value" means the following:
 19 (1) If an allocation provision is adopted after June 30, 1995, in a
 20 declaratory resolution or an amendment to a declaratory
 21 resolution establishing an economic development area:
 22 (A) the net assessed value of all the property as finally
 23 determined for the assessment date immediately preceding the
 24 effective 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), the net
 27 assessed value of property that is assessed as residential
 28 property under the rules of the department of local government
 29 finance, as finally determined for any assessment date after the
 30 effective date of the allocation provision.
 31 (2) If an allocation provision is adopted after June 30, 1997, in a
 32 declaratory resolution or an amendment to a declaratory
 33 resolution establishing a redevelopment project area:
 34 (A) the net assessed value of all the property as finally
 35 determined for the assessment date immediately preceding the
 36 effective date of the allocation provision of the declaratory
 37 resolution, as adjusted under subsection (h); plus
 38 (B) to the extent that it is not included in clause (A), the net
 39 assessed value of property that is assessed as residential
 40 property under the rules of the department of local government
 41 finance, as finally determined for any assessment date after the
 42 effective date of the allocation provision.

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- (3) If:
 - (A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and
 - (B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;
- the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).
- (4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).
 - (5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.
 - (6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

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

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by

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

- 24 (1) Except as otherwise provided in this section, the proceeds of
 25 the taxes attributable to the lesser of:
 26 (A) the assessed value of the property for the assessment date
 27 with respect to which the allocation and distribution is made;
 28 or
 29 (B) the base assessed value;
 30 shall be allocated to and, when collected, paid into the funds of
 31 the respective taxing units.
- 32 (2) Except as otherwise provided in this section, property tax
 33 proceeds in excess of those described in subdivision (1) shall be
 34 allocated to the redevelopment district and, when collected, paid
 35 into a special fund for that allocation area that may be used by the
 36 redevelopment district only to do one (1) or more of the
 37 following:
 38 (A) Pay the principal of and interest on any obligations
 39 payable solely from allocated tax proceeds that are incurred by
 40 the redevelopment district for the purpose of financing or
 41 refinancing the redevelopment of that allocation area.
 42 (B) Establish, augment, or restore the debt service reserve for

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bonds payable solely or in part from allocated tax proceeds in that allocation area.
(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.
(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.
(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.
(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.
(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
 (i) in the allocation area; and
 (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.
However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.
(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those

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property tax proceeds exceed the amount necessary to do the following:

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

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

(3) Before July 15 of each year, the commission shall do the following:

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).
- (B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:
 - (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
 - (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so

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1 would endanger the interests of the holders of bonds described
2 in subdivision (2).

3 (c) For the purpose of allocating taxes levied by or for any taxing
4 unit or units, the assessed value of taxable property in a territory in the
5 allocation area that is annexed by any taxing unit after the effective
6 date of the allocation provision of the resolution is the 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) Property tax proceeds allocable to the redevelopment district
11 under subsection (b)(2) may, subject to subsection (b)(3), be
12 irrevocably pledged by the redevelopment district for payment as set
13 forth in subsection (b)(2).

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

18 (f) Notwithstanding any other law, the assessed value of all taxable
19 property in the allocation area, for purposes of tax limitation, property
20 tax replacement, and formulation of the budget, tax rate, and tax levy
21 for each political subdivision in which the property is located is the
22 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) If any part of the allocation area is located in an enterprise zone
27 created under IC 5-28-15, the unit that designated the allocation area
28 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)(2) shall establish an allocation fund for the purposes
31 specified in subsection (b)(2) and a special zone fund. Such a unit
32 shall, until the end of the enterprise zone phase out period, deposit each
33 year in the special zone fund the amount in the allocation fund derived
34 from property tax proceeds in excess of those described in subsection
35 (b)(1) from property located in the enterprise zone that exceeds the
36 amount sufficient for the purposes specified in subsection (b)(2) for the
37 year. A unit that has no obligations, bonds, or leases payable from
38 allocated tax proceeds under subsection (b)(2) shall establish a special
39 zone fund and deposit all the property tax proceeds in excess of those
40 described in subsection (b)(1) in the fund derived from property tax
41 proceeds in excess of those described in subsection (b)(1) from
42 property located in the enterprise zone. The unit that creates the special

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1 zone fund shall use the fund, based on the recommendations of the
 2 urban enterprise association, for one (1) or more of the following
 3 purposes:

4 (1) To pay for programs in job training, job enrichment, and basic
 5 skill development designed to benefit residents and employers in
 6 the enterprise zone. The programs must reserve at least one-half
 7 (1/2) of the enrollment in any session for residents of the
 8 enterprise zone.

9 (2) To make loans and grants for the purpose of stimulating
 10 business activity in the enterprise zone or providing employment
 11 for enterprise zone residents in the enterprise zone. These loans
 12 and grants may be made to the following:

13 (A) Businesses operating in the enterprise zone.

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

16 (3) To provide funds to carry out other purposes specified in
 17 subsection (b)(2). However, where reference is made in
 18 subsection (b)(2) to the allocation area, the reference refers for
 19 purposes of payments from the special zone fund only to that part
 20 of the allocation area that is also located in the enterprise zone.

21 (h) The state board of accounts and department of local government
 22 finance shall make the rules and prescribe the forms and procedures
 23 that they consider expedient for the implementation of this chapter.
 24 After each general reassessment under IC 6-1.1-4, the department of
 25 local government finance shall adjust the base assessed value one (1)
 26 time to neutralize any effect of the general reassessment on the
 27 property tax proceeds allocated to the redevelopment district under this
 28 section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
 29 department of local government finance shall adjust the base assessed
 30 value to neutralize any effect of the ~~annual~~ adjustment on the property
 31 tax proceeds allocated to the redevelopment district under this section.
 32 However, the adjustments under this subsection may not include the
 33 effect of property tax abatements under IC 6-1.1-12.1, and these
 34 adjustments may not produce less property tax proceeds allocable to
 35 the redevelopment district under subsection (b)(2) than would
 36 otherwise have been received if the general reassessment or ~~annual~~
 37 adjustment had not occurred. The department of local government
 38 finance may prescribe procedures for county and township officials to
 39 follow to assist the department in making the adjustments.

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

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

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

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

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

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

13 SECTION 52. IC 36-7-15.1-53, AS AMENDED BY
14 P.L.182-2009(ss), SECTION 407, IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 53. (a) As used in this
16 section:

17 "Allocation area" means that part of a redevelopment project area
18 to which an allocation provision of a resolution adopted under section
19 40 of this chapter refers for purposes of distribution and allocation of
20 property taxes.

21 "Base assessed value" means:

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

26 (2) to the extent that it is not included in subdivision (1), the net
27 assessed value of property that is assessed as residential property
28 under the rules of the department of local government finance, as
29 finally determined for any assessment date after the effective date
30 of the allocation provision.

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

33 (b) A resolution adopted under section 40 of this chapter on or
34 before the allocation deadline determined under subsection (i) may
35 include a provision with respect to the allocation and distribution of
36 property taxes for the purposes and in the manner provided in this
37 section. A resolution previously adopted may include an allocation
38 provision by the amendment of that resolution on or before the
39 allocation deadline determined under subsection (i) in accordance with
40 the procedures required for its original adoption. A declaratory
41 resolution or an amendment that establishes an allocation provision
42 must be approved by resolution of the legislative body of the excluded

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

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

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

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

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

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

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

41 (C) Pay the principal of and interest on bonds payable from
 42 allocated tax proceeds in that allocation area and from the

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special tax levied under section 50 of this chapter.
(D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.
(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.
(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.
(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
 (i) in the allocation area; and
 (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.
However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.
The special fund may not be used for operating expenses of the commission.
(3) Before July 15 of each year, the commission shall do the following:
 (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the

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1 property taxes necessary to make, when due, principal and
 2 interest payments on bonds described in subdivision (2) plus
 3 the amount necessary for other purposes described in
 4 subdivision (2) and subsection (g).
 5 (B) Provide a written notice to the county auditor, the fiscal
 6 body of the county or municipality that established the
 7 department of redevelopment, and the officers who are
 8 authorized to fix budgets, tax rates, and tax levies under
 9 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 10 or partly located within the allocation area. The notice must:
 11 (i) state the amount, if any, of excess assessed value that the
 12 commission has determined may be allocated to the
 13 respective taxing units in the manner prescribed in
 14 subdivision (1); or
 15 (ii) state that the commission has determined that there is no
 16 excess assessed value that may be allocated to the respective
 17 taxing units in the manner prescribed in subdivision (1).
 18 The county auditor shall allocate to the respective taxing units
 19 the amount, if any, of excess assessed value determined by the
 20 commission. The commission may not authorize an allocation
 21 to the respective taxing units under this subdivision if to do so
 22 would endanger the interests of the holders of bonds described
 23 in subdivision (2).
 24 (c) For the purpose of allocating taxes levied by or for any taxing
 25 unit or units, the assessed value of taxable property in a territory in the
 26 allocation area that is annexed by any taxing unit after the effective
 27 date of the allocation provision of the resolution is the lesser of:
 28 (1) the assessed value of the property for the assessment date with
 29 respect to which the allocation and distribution is made; or
 30 (2) the base assessed value.
 31 (d) Property tax proceeds allocable to the redevelopment district
 32 under subsection (b)(2) may, subject to subsection (b)(3), be
 33 irrevocably pledged by the redevelopment district for payment as set
 34 forth in subsection (b)(2).
 35 (e) Notwithstanding any other law, each assessor shall, upon
 36 petition of the commission, reassess the taxable property situated upon
 37 or in, or added to, the allocation area, effective on the next assessment
 38 date after the petition.
 39 (f) Notwithstanding any other law, the assessed value of all taxable
 40 property in the allocation area, for purposes of tax limitation, property
 41 tax replacement, and formulation of the budget, tax rate, and tax levy
 42 for each political subdivision in which the property is located, is the

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1 lesser of:

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

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

- 25 (1) To pay for programs in job training, job enrichment, and basic
 26 skill development designed to benefit residents and employers in
 27 the enterprise zone. The programs must reserve at least one-half
 28 (1/2) of the enrollment in any session for residents of the
 29 enterprise zone.
 30 (2) To make loans and grants for the purpose of stimulating
 31 business activity in the enterprise zone or providing employment
 32 for enterprise zone residents in an enterprise zone. These loans
 33 and grants may be made to the following:
 34 (A) Businesses operating in the enterprise zone.
 35 (B) Businesses that will move their operations to the enterprise
 36 zone if such a loan or grant is made.
 37 (3) To provide funds to carry out other purposes specified in
 38 subsection (b)(2). However, where reference is made in
 39 subsection (b)(2) to the allocation area, the reference refers, for
 40 purposes of payments from the special zone fund, only to that part
 41 of the allocation area that is also located in the enterprise zone.
 42 (h) The state board of accounts and department of local government

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

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

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

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

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

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

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

34 SECTION 53. IC 36-7-22-11 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. An ordinance
 36 adopted under section 7 of this chapter must establish an economic
 37 improvement board to be appointed by the legislative body. The board
 38 must have at least three (3) members, and a majority of the board
 39 members must own real property within the district. **However, if there**
 40 **is only one (1) property owner within the district, the legislative**
 41 **body shall appoint one (1) member to the economic improvement**
 42 **board who owns real property within the district and not more**

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1 **than two (2) other members who are not required to own real**
2 **property within the district.**

3 SECTION 54. IC 36-7-22-12, AS AMENDED BY P.L.1-2009,
4 SECTION 166, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The board shall use the
6 formula approved by the legislative body under section 7(a)(4) of this
7 chapter to determine the percentage of benefit to be received by each
8 parcel of real property within the economic improvement district. The
9 board shall apply the percentage determined for each parcel to the total
10 amount that is to be defrayed by special assessment and determine the
11 **special** assessment for each parcel.

12 (b) Promptly after determining the proposed assessment for each
13 parcel, the board shall mail notice to each owner of property to be
14 assessed. This notice must:

- 15 (1) set forth the amount of the proposed **special** assessment;
- 16 (2) state that the proposed **special** assessment on each parcel of
17 real property in the economic improvement district is on file and
18 can be seen in the board's office;
- 19 (3) state the time and place where written remonstrances against
20 the **special** assessment may be filed;
- 21 (4) set forth the time and place where the board will hear any
22 owner of assessed real property who has filed a remonstrance
23 before the hearing date; and
- 24 (5) state that the board, after hearing evidence, may increase or
25 decrease, or leave unchanged, the **special** assessment on any
26 parcel.

27 (c) The notices must be deposited in the mail twenty (20) days
28 before the hearing date. The notices to the owners must be addressed
29 as the names and addresses appear on the tax duplicates and the
30 records of the county auditor.

31 (d) At the time fixed in the notice, the board shall hear any owner
32 of assessed real property who has filed a written remonstrance before
33 the date of the hearing. The hearing may be continued from time to
34 time as long as is necessary to hear the owners.

35 (e) The board shall render its decision by increasing, decreasing, or
36 confirming each **special** assessment by setting opposite each name,
37 parcel, and proposed assessment, the amount of the assessment as
38 determined by the board. However, if the total of the **special**
39 assessments exceeds the amount needed, the board shall make a
40 prorated reduction in each **special** assessment.

41 (f) Except as provided in section 13 of this chapter, the signing of
42 the **special** assessment schedule by a majority of the members of the

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1 board and the delivery of the schedule to the county auditor constitute
2 a final and conclusive determination of the benefits that are assessed.

3 (g) Each ~~economic improvement district~~ **special** assessment is
4 (1) ~~included within the definition of property taxation under~~
5 ~~IC 6-1.1-1-14;~~ and
6 (2) a lien on the real property that is assessed, ~~in the economic~~
7 ~~improvement district.~~ **second only to ad valorem property taxes**
8 **levied on that property.**

9 The general assembly finds that an economic improvement district
10 assessment is a property tax levied for the general public welfare.

11 (h) An economic improvement district assessment paid by a
12 property owner is a property tax for the purposes of applying Section
13 164 of the Internal Revenue Code to the determination of adjusted
14 gross income. However, an economic improvement district assessment
15 paid by a property owner is not eligible for a credit under IC 6-1.1,
16 IC 6-3.5, or any other law.

17 (i) **(h)** The board shall certify to the county auditor the schedule of
18 **special** assessments of benefits. **For purposes of providing**
19 **substantiation of the deductibility of a special assessment for**
20 **federal adjusted gross income tax purposes under Section 164 of**
21 **the Internal Revenue Code, the board shall, to the extent**
22 **practicable, supplement the schedule of special assessments**
23 **provided to the county auditor with a statement that identifies the**
24 **part of each special assessment that is allocable to interest,**
25 **maintenance, and repair charges. If the board provides the county**
26 **auditor with the statement, the county auditor shall show, on the**
27 **tax statement, the part of the special assessment that is for interest**
28 **and maintenance and repair items separately from the remainder**
29 **of the special assessment.**

30 SECTION 55. IC 36-7-30-25, AS AMENDED BY P.L.146-2008,
31 SECTION 770, IS AMENDED TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2010]: Sec. 25. (a) The following definitions
33 apply throughout this section:

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

38 (2) "Base assessed value" means:
39 (A) the net assessed value of all the property as finally
40 determined for the assessment date immediately preceding the
41 adoption date of the allocation provision of the declaratory
42 resolution, as adjusted under subsection (h); plus

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1 (B) to the extent that it is not included in clause (A) or (C), the
 2 net assessed value of any and all parcels or classes of parcels
 3 identified as part of the base assessed value in the declaratory
 4 resolution or an amendment thereto, as finally determined for
 5 any subsequent assessment date; plus
 6 (C) to the extent that it is not included in clause (A) or (B), the
 7 net 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 Clause (C) applies only to allocation areas established in a
 12 military reuse area after June 30, 1997, and to the part of an
 13 allocation area that was established before June 30, 1997, and that
 14 is added to an existing allocation area after June 30, 1997.

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

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

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

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

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

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

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more of the following:

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

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

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

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

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:
STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined

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1 by the reuse authority. The reuse authority may not authorize
2 a payment to the respective taxing units under this subdivision
3 if to do so would endanger the interest of the holders of bonds
4 described in subdivision (2) or lessors under section 19 of this
5 chapter. Property taxes received by a taxing unit under this
6 subdivision before 2009 are eligible for the property tax
7 replacement credit provided under IC 6-1.1-21.

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

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

15 (d) Property tax proceeds allocable to the military base reuse district
16 under subsection (b)(2) may, subject to subsection (b)(3), be
17 irrevocably pledged by the military base reuse district for payment as
18 set forth in subsection (b)(2).

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

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

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

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

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1 for the year shall be determined based on the pro rata part of such
 2 current property tax proceeds from the part of the enterprise zone that
 3 is within the allocation area as compared to all such current property
 4 tax proceeds derived from the allocation area. A unit that does not have
 5 obligations, bonds, or leases payable from allocated tax proceeds under
 6 subsection (b)(2) shall establish a special zone fund and deposit all the
 7 property tax proceeds in excess of those described in subsection (b)(1)
 8 that are derived from property in the enterprise zone in the fund. The
 9 unit that creates the special zone fund shall use the fund (based on the
 10 recommendations of the urban enterprise association) for programs in
 11 job training, job enrichment, and basic skill development that are
 12 designed to benefit residents and employers in the enterprise zone or
 13 other purposes specified in subsection (b)(2), except that where
 14 reference is made in subsection (b)(2) to allocation area it shall refer
 15 for purposes of payments from the special zone fund only to that part
 16 of the allocation area that is also located in the enterprise zone. The
 17 programs shall reserve at least one-half (1/2) of their enrollment in any
 18 session for residents of the enterprise zone.

19 (h) After each general reassessment under IC 6-1.1-4, the
 20 department of local government finance shall adjust the base assessed
 21 value one (1) time to neutralize any effect of the general reassessment
 22 on the property tax proceeds allocated to the military base reuse district
 23 under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5,
 24 the department of local government finance shall adjust the base
 25 assessed value to neutralize any effect of the ~~annual~~ adjustment on the
 26 property tax proceeds allocated to the military base reuse district under
 27 this section. However, the adjustments under this subsection may not
 28 include the effect of property tax abatements under IC 6-1.1-12.1, and
 29 these adjustments may not produce less property tax proceeds allocable
 30 to the military base reuse district under subsection (b)(2) than would
 31 otherwise have been received if the general reassessment or ~~annual~~
 32 adjustment had not occurred. The department of local government
 33 finance may prescribe procedures for county and township officials to
 34 follow to assist the department in making the adjustments.

35 SECTION 56. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,
 36 SECTION 772, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2010]: Sec. 30. (a) The following definitions
 38 apply throughout this section:

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

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

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the development authority and only to do one (1) or more of the following:

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

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

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

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

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

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

STEP TWO: Divide:

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

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; by

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

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not

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receive a credit under this section and a credit under section 32 of this chapter (before its repeal) in the same year.

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

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

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

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

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

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

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

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

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

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subdivision (1).
The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

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

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

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those

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

23 (h) After each general reassessment under IC 6-1.1-4, the
 24 department of local government finance shall adjust the base assessed
 25 value one (1) time to neutralize any effect of the general reassessment
 26 on the property tax proceeds allocated to the military base development
 27 district under this section. After each ~~annual~~ adjustment under
 28 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 29 the base assessed value to neutralize any effect of the ~~annual~~
 30 adjustment on the property tax proceeds allocated to the military base
 31 development district under this section. However, the adjustments
 32 under this subsection may not include the effect of property tax
 33 abatements under IC 6-1.1-12.1, and these adjustments may not
 34 produce less property tax proceeds allocable to the military base
 35 development district under subsection (b)(2) than would otherwise
 36 have been received if the general reassessment or ~~annual~~ adjustment
 37 had not occurred. The department of local government finance may
 38 prescribe procedures for county and township officials to follow to
 39 assist the department in making the adjustments.

40 SECTION 57. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,
 41 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2010]: Sec. 19. (a) The state board of accounts and

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1 department of local government finance shall make the rules and
2 prescribe the forms and procedures that the state board of accounts and
3 department of local government finance consider appropriate for the
4 implementation of an allocation area under this chapter.

5 (b) After each general reassessment under IC 6-1.1-4, the
6 department of local government finance shall adjust the base assessed
7 value one (1) time to neutralize any effect of the general reassessment
8 on the property tax proceeds allocated to the certified technology park
9 fund under section 17 of this chapter. After each ~~annual~~ adjustment
10 under IC 6-1.1-4-4.5, the department of local government finance shall
11 adjust the base assessed value to neutralize any effect of the ~~annual~~
12 adjustment on the property tax proceeds allocated to the certified
13 technology park fund under section 17 of this chapter.

14 SECTION 58. IC 36-9-16-2, AS AMENDED BY P.L.8-2009,
15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 2. (a) A unit may establish a cumulative
17 building or sinking fund or cumulative capital improvement funds to
18 provide money for one (1) or more of the following purposes:

- 19 (1) To purchase, construct, equip, and maintain buildings for
20 public purposes.
- 21 (2) To acquire the land, and any improvements on it, that are
22 necessary for the construction of public buildings.
- 23 (3) To demolish any improvements on land acquired under this
24 section, and to level, grade, and prepare the land for the
25 construction of a public building.
- 26 (4) To acquire land or rights-of-way to be used as a public way or
27 other means of ingress or egress to land acquired for the
28 construction of a public building.
- 29 (5) To improve or construct any public way or other means of
30 ingress or egress to land acquired for the construction of a public
31 building.

32 (b) In addition to the purposes described in subsection (a), a
33 cumulative capital improvement fund may be used to purchase body
34 armor (as defined in IC 36-8-4-4.5(a)) for active members of a police
35 department.

36 **(c) A municipality may establish a cumulative capital
37 improvement fund for a purpose described in IC 6-7-1-31.1.**

38 SECTION 59. P.L.182-2009(ss), SECTION 479, IS AMENDED TO
39 READ AS FOLLOWS [EFFECTIVE JUNE 30, 2009
40 (RETROACTIVE)]: SECTION 479. **(a) IC 1-1-5-10 does not apply
41 to this SECTION.**

42 ~~(a)~~ **(b)** This SECTION applies to:

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- 1 (1) an entity that:
- 2 (A) is owned, occupied, and used as a nonprofit entity (as
- 3 described in IC 23); and
- 4 (B) failed, for an assessment date after March 1, 2000, to:
- 5 ~~(A)~~ (i) file a timely application under IC 6-1.1-11 for an
- 6 exemption under IC 6-1.1-10-16; or
- 7 ~~(B)~~ (ii) accompany a timely filed application for an
- 8 exemption under IC 6-1.1-10-16 with sufficient information
- 9 for the county property tax assessment board of appeals to
- 10 determine whether the applicant was eligible for an
- 11 exemption under IC 6-1.1-10-16, as specified on a response
- 12 from the county assessor or property tax assessment board
- 13 of appeals; and
- 14 (2) any part of the entity's property that would have qualified for
- 15 an exemption under IC 6-1.1-10-16 as property owned, occupied,
- 16 and predominately used for a charitable purpose, if the omissions
- 17 described in subdivision (1) had not occurred.
- 18 ~~(b)~~ (c) Notwithstanding IC 6-1.1-11 or any other law, an entity
- 19 described in subsection ~~(a)~~ (b) may, before September 1, 2009, file or
- 20 refile with the county assessor an application for a property tax
- 21 exemption under IC 6-1.1-10-16 for an assessment date occurring after
- 22 March 1, 2000, and before March 1, 2010.
- 23 ~~(c)~~ (d) Notwithstanding IC 6-1.1-11 or any other law, an application
- 24 for a property tax exemption that is filed under subsection ~~(b)~~ (c) is
- 25 considered to be timely filed for the assessment date for which it is
- 26 filed, and the county assessor shall forward the application to the
- 27 county property tax assessment board of appeals for review or
- 28 reconsideration. The board shall grant an exemption claimed under this
- 29 SECTION for the assessment date covered by the application if, after
- 30 reviewing all of the information submitted by the applicant, the board
- 31 determines that:
- 32 (1) the entity's application for a property tax exemption satisfies
- 33 the requirements of this SECTION; and
- 34 (2) except for the omissions described in subsection ~~(a)~~ (b), part
- 35 or all of the entity's property would otherwise have qualified for
- 36 an exemption under IC 6-1.1-10-16 for the assessment date
- 37 covered by the application.
- 38 IC 6-1.1-11-7 and IC 6-1.1-15-3 apply to a determination under this
- 39 SECTION.
- 40 ~~(d)~~ (e) Notwithstanding IC 6-1.1-22-9 or any other law, if an
- 41 exemption application is filed or refiled under this SECTION and an
- 42 exemption under IC 6-1.1-10 had been granted for the property for

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1 property taxes first due and payable for any year after 1999, any unpaid
 2 taxes imposed on property and for a year covered by an exemption
 3 application are not due until thirty (30) days after the date the
 4 applicant's eligibility for the exemption under this SECTION is finally
 5 adjudicated and determined and a revised tax statement under
 6 IC 6-1.1-22-8.1 that reflects the final determination concerning the
 7 exemption application is delivered to the owner. During the pendency
 8 of the proceedings concerning an exemption application under this
 9 SECTION, no action under IC 6-1.1-24 or another law may be taken to
 10 collect the unpaid taxes for a year covered by the exemption
 11 application, including any action to sell the property at a tax sale. If an
 12 entity is granted an exemption or a partial exemption under this
 13 SECTION, any unpaid property tax liability, including interest, for the
 14 entity's property shall be canceled by the county auditor and the county
 15 treasurer to the extent of the exemption, and, notwithstanding
 16 IC 6-1.1-26-1, if the entity has previously paid the tax liability for
 17 property with respect to the assessment date covered by the application,
 18 the county auditor shall issue a refund of the property tax paid by the
 19 entity to the extent of the exemption. No interest or penalty shall be
 20 imposed on any tax liability remaining after the application of the
 21 exemption for any period before the taxes are due as provided in this
 22 subsection. An entity is not required to apply for any refund due under
 23 this SECTION. The county auditor shall, without an appropriation
 24 being required, issue a warrant to the entity payable from the county
 25 general fund for the amount of the refund, if any, due the entity. No
 26 interest is payable on the refund.

27 ~~(e)~~ **(f)** This SECTION expires January 1, 2010.

28 SECTION 60. [EFFECTIVE JANUARY 1, 2008
 29 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer
 30 notwithstanding IC 6-1.1-11 or any other law or administrative
 31 rule or provision.**

32 **(b) This SECTION applies to an assessment date, as defined in
 33 IC 6-1.1-1-2, occurring after December 31, 2007, and before
 34 January 1, 2010.**

35 **(c) As used in this SECTION, "taxpayer" refers to a person, as
 36 defined in IC 6-1.1-1-10, that:**

37 **(1) after January 15, 2010, and before January 25, 2010, filed
 38 or refiled, in a manner consistent with IC 6-1.1-36-1.5, a Form
 39 136 property tax exemption application, along with any
 40 supporting documents, schedules, or attachments, claiming an
 41 exemption from real property taxes under IC 36-1-10-18 for
 42 any assessment date described in subsection (b); and**

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1 (2) leased real property to the bureau of motor vehicles
2 commission during 2008 and 2009, and the real property
3 identified in the property tax exemption application referred
4 to in subdivision (1) received a full or partial exemption from
5 real property taxes for the 2006 or 2007 assessment date.
6 (d) A property tax exemption application referred to in
7 subsection (c)(1):
8 (1) is allowed; and
9 (2) is considered to have been timely filed.
10 (e) A taxpayer is entitled to the exemptions from real property
11 taxes as claimed on the property tax exemption applications
12 referred to in subsection (c)(1) and is not required to pay property
13 taxes, penalties or interest with respect to the exempt property.
14 (f) This SECTION expires July 1, 2011.
15 SECTION 61. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 239, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 19, delete lines 34 through 42.

Delete pages 20 through 22.

Page 23, delete lines 1 through 35.

Page 70, between lines 37 and 38, begin a new paragraph and insert:
 "SECTION 52. IC 36-1.5-4-5, AS ADDED BY P.L.186-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 5. (a) Except as provided in subsection (b), a reorganization approved under this chapter takes effect when all of the following have occurred:

(1) The later of:

(A) the date that a copy of a joint certification from the county election board in each county in which reorganizing political subdivisions are located that indicates that:

(i) the reorganization has been approved by the voters of each reorganizing political subdivision; or

(ii) in the case of a reorganization described in section 1(a)(9) of this chapter, the reorganization has been approved as set forth in section 32(b) of this chapter;

is recorded as required by section 31 of this chapter; or

(B) the date specified in the finally adopted plan of reorganization.

(2) The appointed or elected officers of the reorganized political subdivision are elected (as prescribed by section 36 of this chapter) or appointed and qualified, if:

(A) the reorganized political subdivision is a new political subdivision and reorganizing political subdivisions are not being consolidated into one (1) of the reorganizing political subdivisions;

(B) the reorganized political subdivision will have different boundaries than any of the reorganizing political subdivisions;

(C) the reorganized political subdivision will have different appointment or election districts than any of the reorganizing political subdivisions; or

(D) the finally adopted plan of reorganization requires new appointed or elected officers before the reorganization becomes effective.

(b) A reorganization approved under this chapter may not take effect

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during the year preceding a year in which a federal decennial census is conducted. A consolidation that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

(c) Notwithstanding subsection (b) as that subsection existed on December 31, 2009, a reorganization that took effect January 2, 2010, because of the application of subsection (b), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without the adoption of an amended reorganization plan.

SECTION 53. IC 36-2-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 2. (a) If the resident voters in a specified territory in two (2) or more contiguous counties desire to change the boundaries of their respective counties, they may file a petition with the executives of their respective counties requesting that the territory be transferred. The petition must:

- (1) be signed by at least the number of voters resident in the territory requested to be transferred required to place a candidate on the ballot under IC 3-8-6-3;
- (2) contain a clear, distinct description of the requested boundary change; and
- (3) not propose to decrease the area of any county below four hundred (400) square miles in compliance with Article 15, Section 7 of the Constitution of the State of Indiana.

(b) Whenever a petition under subsection (a) is filed with a county executive, the executive shall determine, at its first meeting after the petition is filed:

- (1) whether the signatures on the petition are genuine; and
- (2) whether the petition complies with subsection (a).

(c) If the determinations under subsection (b) are affirmative, the executive shall certify the question to the county election board of each affected county. The county election boards shall jointly order a special election to be held, scheduling the election so that the election is held on the same date in each county interested in the change, but not later than thirty (30) days and not on the same date as a general election. The election shall be conducted under IC 3-10-8-6. All voters of each interested county are entitled to vote on the question. The question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the boundaries of _____ County and _____ County change?".

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(d) After an election under subsection (c), the clerk of each county shall make a certified copy of the election returns and not later than five (5) days after the election file the copy with the auditor of the county. The auditor shall, not later than five (5) days after the filing of the returns in the auditor's office, make a true and complete copy of the returns, certified under the auditor's hand and seal, and deposit the copy with the auditor of every other county interested in the change.

(e) After copies have been filed under subsection (d), the auditor of each county shall call a meeting of the executive of the county, which shall examine the returns. If a majority of the voters of each interested county voted in favor of change, the executive shall:

- (1) enter an order declaring their boundaries to be changed as described in the petition; and
- (2) if the county has received territory from the transfer, adopt revised descriptions of:

(A) county commissioner districts under IC 36-2-2-4; and

(B) county council districts under IC 36-2-3-4;

so that the transferred territory is assigned to at least one (1) county commissioner district and at least one (1) county council district.

(f) The executive of each county shall file a copy of the order described in subsection (e)(1) with:

- (1) the office of the secretary of state; and
- (2) the circuit court clerk of the county.

Except as provided in subsection (g), the transfer of territory becomes effective when the last county order is filed under this subsection.

(g) An order declaring county boundaries to be changed may not take effect during the year preceding a year in which a federal decennial census is conducted. An order that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 1 of the year in which a federal decennial census is conducted.

(h) An election under this section may be held only once every three (3) years.

(i) Notwithstanding subsection (g) as that subsection existed on December 31, 2009, a boundary change that took effect January 2, 2010, because of the application of subsection (g), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without an amended order or any other additional action being required."

Page 71, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 55. IC 36-3-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:

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- Sec. 7. (a) This section governs the transfer of territory that is either:
- (1) inside the corporate boundaries of the consolidated city and contiguous to an excluded city; or
 - (2) inside the corporate boundaries of an excluded city and contiguous to the consolidated city.

IC 36-4-3 does not apply to such a transfer.

(b) If the owners of land located in territory described in subsection (a) want to have that territory transferred from one (1) municipality to the other, they must file:

- (1) a petition for annexation of that territory with the legislative body of the contiguous municipality; and
- (2) a petition for disannexation of that territory with the legislative body of the municipality containing that territory.

Each petition must be signed by at least fifty-one percent (51%) of the owners of land in the territory sought to be transferred. The territory must be reasonably compact in configuration, and its boundaries must generally follow streets or natural boundaries.

(c) Each legislative body shall, not later than sixty (60) days after a petition is filed with it under subsection (b), either approve or disapprove the petition, with the following results:

- (1) Except as provided in subsection (g), if both legislative bodies approve, the transfer of territory takes effect:
 - (A) on the effective date of the approval of the latter legislative body to act; and
 - (B) when a copy of each transfer approval has been filed under subsection (f).
- (2) If the legislative body of the contiguous municipality disapproves or fails to act within the prescribed period, the proceedings are terminated.
- (3) If the legislative body of the contiguous municipality approves but the legislative body of the other municipality disapproves or fails to act within the prescribed period, the proceedings are terminated unless there is an appeal under subsection (d).

(d) In the case described by subsection (c)(3), the petitioners may, not later than sixty (60) days after the disapproval or expiration of the prescribed period, appeal to the circuit court. The appeal must allege that the benefits to be derived by the petitioners from the transfer outweigh the detriments to the municipality that has failed to approve, which is defendant in the appeal.

(e) The court shall try an appeal under subsection (d) as other civil actions, but without a jury. If the court determines that:

- (1) the requirements of this section have been met; and

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(2) the benefits to be derived by the petitioners outweigh the detriments to the municipality;

it shall order the transfer of territory to take effect on the date its order becomes final, subject to subsection (g), and shall file the order under subsection (f). However, if the municipality, or a district of it, is furnishing sanitary sewer service or municipal water service in the territory, or otherwise has expended substantial sums for public facilities (other than roads) specially benefiting the territory, the court shall deny the transfer.

(f) A municipal legislative body that approves a transfer of territory under subsection (c) or a court that approves a transfer under subsection (e) shall file a copy of the approval or order, setting forth a legal description of the territory to be transferred, with:

- (1) the office of the secretary of state; and
- (2) the circuit court clerk of each county in which the municipality is located.

(g) A transfer of territory under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A transfer of territory that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 1 of the year in which a federal decennial census is conducted.

(h) A petition for annexation or disannexation under this section may not be filed with respect to land as to which a transfer of territory has been disapproved or denied within the preceding three (3) years.

(i) The legislative body of a municipality annexing territory under this section shall assign the territory to at least one (1) municipal legislative body district under IC 36-3-4-3 or IC 36-4-6 not later than thirty (30) days after the transfer of territory becomes effective under this section.

(j) Notwithstanding subsection (g) as that subsection existed on December 31, 2009, a transfer of territory that took effect January 2, 2010, because of the application of subsection (g), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 56. IC 36-4-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 9. (a) Except as provided in subsection (c), a merger approved under this chapter takes effect when:

- (1) the officers of the new municipality are elected and qualified, as prescribed by section 13 of this chapter; and

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(2) a copy of the agreement under section 2 of this chapter or the certified election results under section 7 of this chapter are filed with:

- (A) the office of the secretary of state; and
- (B) the circuit court clerk of each county in which the municipality is located.

(b) On the effective date of the merger, the merging municipalities cease to exist and are merged into a single municipality of the class created by the combined population of the merging municipalities. The new municipality shall be governed by the laws applicable to that class.

(c) A merger approved under this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. A merger that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

(d) Notwithstanding subsection (c) as that subsection existed on December 31, 2009, a merger that took effect January 2, 2010, because of the application of subsection (c), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 57. IC 36-4-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 Sec. 7. (a) After an ordinance is adopted under section 3, 4, 5, or 5.1 of this chapter, it must be published in the manner prescribed by IC 5-3-1. Except as provided in subsection (b), (c), or (f), in the absence of remonstrance and appeal under section 11 or 15.5 of this chapter, the ordinance takes effect at least ninety (90) days after its publication and upon the filing required by section 22(a) of this chapter.

(b) An ordinance described in subsection (d) or adopted under section 3, 4, 5, or 5.1 of this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. An ordinance that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

(c) Subsections (d) and (e) apply to fire protection districts that are established after June 14, 1987.

(d) Except as provided in subsection (b), whenever a municipality annexes territory, all or part of which lies within a fire protection district (IC 36-8-11), the annexation ordinance (in the absence of remonstrance and appeal under section 11 or 15.5 of this chapter) takes

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effect the second January 1 that follows the date the ordinance is adopted and upon the filing required by section 22(a) of this chapter. The municipality shall:

- (1) provide fire protection to that territory beginning the date the ordinance is effective; and
- (2) send written notice to the fire protection district of the date the municipality will begin to provide fire protection to the annexed territory within ten (10) days of the date the ordinance is adopted.

(e) If the fire protection district from which a municipality annexes territory under subsection (d) is indebted or has outstanding unpaid bonds or other obligations at the time the annexation is effective, the municipality is liable for and shall pay that indebtedness in the same ratio as the assessed valuation of the property in the annexed territory (that is part of the fire protection district) bears to the assessed valuation of all property in the fire protection district, as shown by the most recent assessment for taxation before the annexation, unless the assessed property within the municipality is already liable for the indebtedness. The annexing municipality shall pay its indebtedness under this section to the board of fire trustees. If the indebtedness consists of outstanding unpaid bonds or notes of the fire protection district, the payments to the board of fire trustees shall be made as the principal or interest on the bonds or notes becomes due.

(f) This subsection applies to an annexation initiated by property owners under section 5.1 of this chapter in which all property owners within the area to be annexed petition the municipality to be annexed. Subject to subsections (b) and (d), and in the absence of an appeal under section 15.5 of this chapter, an annexation ordinance takes effect at least thirty (30) days after its publication and upon the filing required by section 22(a) of this chapter.

SECTION 58. IC 36-4-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 12. (a) The circuit or superior court shall:

- (1) on the date fixed under section 11 of this chapter, hear and determine the remonstrance without a jury; and
- (2) without delay, enter judgment on the question of the annexation according to the evidence that either party may introduce.

(b) If the court enters judgment in favor of the annexation, the annexation may not take effect during the year preceding the year in which a federal decennial census is conducted. An annexation that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the

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year in which a federal decennial census is conducted.

SECTION 59. IC 36-4-3-15.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 Sec. 15.5. (a) Except as provided in subsection (b), an owner of land within one-half (1/2) mile of territory proposed to be annexed under this chapter may, not later than sixty (60) days after the publication of the annexation ordinance, appeal that annexation to a circuit court or superior court of a county in which the annexed territory is located. The complaint must state that the reason the annexation should not take place is that the territory sought to be annexed is not contiguous to the annexing municipality.

(b) This subsection applies to an annexation initiated by property owners under section 5.1 of this chapter in which all property owners within the area to be annexed petition the municipality to be annexed. An owner of land within one-half (1/2) mile of the territory proposed to be annexed under this chapter may, not later than thirty (30) days after the publication of the annexation ordinance, appeal that annexation to a circuit court or superior court of a county in which the annexed territory is located. The complaint must state that the reason the annexation should not take place is that the territory sought to be annexed is not contiguous to the annexing municipality.

(c) Upon the determination of the court that the complaint is sufficient, the judge shall fix a time for a hearing to be held not later than sixty (60) days after the determination. Notice of the proceedings shall be served by summons upon the proper officers of the annexing municipality. The municipality shall become a defendant in the cause and be required to appear and answer. The judge of the circuit or superior court shall, upon the date fixed, proceed to hear and determine the appeal without a jury, and shall, without delay, give judgment upon the question of the annexation according to the evidence introduced by the parties. If the evidence establishes that the territory sought to be annexed is contiguous to the annexing municipality, the court shall deny the appeal and dismiss the proceeding. If the evidence does not establish the foregoing factor, the court shall issue an order to prevent the proposed annexation from taking effect. The laws providing for change of venue from the county do not apply, but changes of venue from the judge may be had. Costs follow judgment. Pending the appeal, and during the time within which the appeal may be taken, the territory sought to be annexed is not a part of the annexing municipality.

(d) If the court enters a judgment in favor of the municipality, the annexation may not take effect during the year preceding a year in which a federal decennial census is conducted. An annexation that

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would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

SECTION 60. IC 36-4-3-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 Sec. 19. (a) If disannexation is ordered under this chapter by the works board of a municipality and no appeal is taken, the clerk of the municipality shall, without compensation and not later than ten (10) days after the order is made, make and certify a complete transcript of the disannexation proceedings to the auditor of each county in which the disannexed lots or lands lie and to the office of the secretary of state. The county auditor shall list those lots or lands appropriately for taxation. The proceedings of the works board shall not be certified to the county auditor or to the office of the secretary of state if an appeal to the circuit court has been taken.

(b) In all proceedings begun in or appealed to the circuit court, if vacation or disannexation is ordered, the clerk of the court shall immediately after the judgment of the court, or after a decision on appeal to the supreme court or court of appeals if the judgment on appeal is not reversed, certify the judgment of the circuit court, as affirmed or modified, to each of the following:

- (1) The auditor of each county in which the lands or lots affected lie, on receipt of one dollar (\$1) for the making and certifying of the transcript from the petitioners for the disannexation.
- (2) The office of the secretary of state.
- (3) The circuit court clerk of each county in which the lands or lots affected are located.
- (4) The county election board of each county in which the lands or lots affected are located.
- (5) If a board of registration exists, the board of each county in which the lands or lots affected are located.
- (6) The office of census data established by IC 2-5-1.1-12.2.

(c) The county auditor shall forward a list of lots or lands disannexed under this section to the following:

- (1) The county highway department of each county in which the lands or lots affected are located.
- (2) The county surveyor of each county in which the lands or lots affected are located.
- (3) Each plan commission, if any, that lost or gained jurisdiction over the disannexed territory.
- (4) The township trustee of each township that lost or gained jurisdiction over the disannexed territory.

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- (5) The sheriff of each county in which the lands or lots affected are located.
- (6) The office of the secretary of state.
- (7) The office of census data established by IC 2-5-1.1-12.2.

The county auditor may require the clerk of the municipality to furnish an adequate number of copies of the list of disannexed lots or lands or may charge the clerk a fee for photoreproduction of the list.

(d) A disannexation described by this section takes effect upon the clerk of the municipality filing the order with:

- (1) the county auditor of each county in which the annexed territory is located; and
- (2) the circuit court clerk, or if a board of registration exists, the board of each county in which the annexed territory is located.

(e) The clerk of the municipality shall notify the office of the secretary of state and the office of census data established by IC 2-5-1.1-12.2 of the date a disannexation is effective under this chapter.

(f) A disannexation order under this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. A disannexation order that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

SECTION 61. IC 36-4-3-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: **Sec. 23. Notwithstanding sections 7, 12, 15.5, and 19 of this chapter, as those sections existed on December 31, 2009, an annexation or disannexation that took effect January 2, 2010, because of the application of section 7(b), 12(b), 15.5(d), or 19(f) of this chapter, as those sections existed on December 31, 2009, is instead considered to take effect January 1, 2010, without the adoption of an amended ordinance or the entry of an amended judgment or order under this chapter."**

Page 71, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 63. IC 36-5-1-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:

Sec. 10.1. (a) Except as provided in subsection (g), if the county executive makes the findings required by section 8 of this chapter, it may adopt an ordinance incorporating the town. The ordinance must:

- (1) provide that:
 - (A) all members of the town legislative body are to be elected at large (if the town would have a population of less than three

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thousand five hundred (3,500); or

(B) divide the town into not less than three (3) nor more than seven (7) districts; and

(2) direct the county election board to conduct an election in the town on the date of the next general or municipal election to be held in any precincts in the county.

An election conducted under this section must comply with IC 3 concerning town elections. If, on the date that an ordinance was adopted under this section, absentee ballots for a general or municipal election have been delivered under IC 3-11-4-15 for voters within a precinct in the town, the election must be conducted on the date of the next general or municipal election held in any precincts in the county after the election for which absentee balloting is being conducted. However, a primary election may not be conducted before an election conducted under this section, regardless of the population of the town.

(b) Districts established by an ordinance adopted under this section must comply with IC 3-11-1.5.

(c) If any territory in the town is not included in one (1) of the districts established under this section, the territory is included in the district that:

(1) is contiguous to that territory; and

(2) contains the least population of all districts contiguous to that territory.

(d) If any territory in the town is included in more than one (1) of the districts established under this section, the territory is included in the district that:

(1) is one (1) of the districts in which the territory is described in the ordinance adopted under this section;

(2) is contiguous to that territory; and

(3) contains the least population of all districts contiguous to that territory.

(e) Except as provided in subsection (f), an ordinance adopted under this section becomes effective when filed with:

(1) the office of the secretary of state; and

(2) the circuit court clerk of each county in which the town is located.

(f) An ordinance incorporating a town under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. An ordinance under this section that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 21 of the year in which a federal decennial census is conducted.

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(g) Proceedings to incorporate a town across county boundaries must have the approval of the county executive of each county that contains a part of the proposed town. Each county that contains a part of the proposed town must adopt identical ordinances providing for the incorporation of the town.

(h) Notwithstanding subsection (f) as that subsection existed on December 31, 2009, an ordinance that took effect January 2, 2010, because of the application of subsection (f), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without the adoption of an ordinance or an amended ordinance or any other additional action being required.

SECTION 64. IC 36-5-1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 18. (a) If at least two-thirds (2/3) of the votes cast in an election under section 16 of this chapter are affirmative, and at least four-fifths (4/5) of all the voters listed in the census voted in the election, the dissolution or change of name takes effect in the manner prescribed by this section.

(b) A change of name takes effect thirty (30) days after the filing of the statement required by section 17 of this chapter.

(c) Except as provided in subsection (d), a dissolution takes effect six (6) months after the filing of the statement required by section 17 of this chapter. The property owned by the town after payment of debts and liabilities shall be disposed of in the manner chosen by a majority of the voters of the town at a special election for that purpose. Dissolution of a town does not affect the validity of a contract to which the town is a party.

(d) A dissolution under this chapter may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 1 of the year in which a federal decennial census is conducted.

(e) Notwithstanding subsection (d) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (d), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 65. IC 36-5-1.1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 9. (a) A person aggrieved by a decision made by the county executive under section 6 of this chapter may, within thirty (30) days,

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appeal that decision or result to the circuit court for the county containing more than fifty percent (50%) in assessed valuation of the land in the town. The appeal is instituted by giving written notice to the clerk of the circuit court and filing with the county executive a bond for five hundred dollars (\$500), with surety approved by the county executive. The bond must provide:

- (1) that the appeal will be duly prosecuted; and
- (2) that the appellants will pay all costs if the appeal is decided against them.

(b) When an appeal is instituted, the county executive shall file with the clerk of the circuit court a transcript of all proceedings in the case, together with all papers filed in the case. The county executive may not take further action in the case until the appeal is heard and determined.

(c) An appeal under this section shall be heard by the circuit court without a jury. Change of venue from the judge may be granted, but change of venue from the county may not be granted. If the court orders the dissolution to take place, the circuit court clerk shall, immediately after the judgment of the court, certify the judgment of the circuit court to:

- (1) the clerk of the municipality;
- (2) the circuit court clerk of any other county in which the town is located; and
- (3) the office of the secretary of state.

(d) Except as provided in subsection (e), the dissolution takes effect sixty (60) days after the order is certified.

(e) A dissolution under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution under this section that would otherwise take effect during the year preceding the year in which the federal decennial census is conducted takes effect January 2 of the year in which a federal decennial census is conducted.

(f) Notwithstanding subsection (e) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (e), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 66. IC 36-5-1.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 10. (a) If the county executive approves dissolution under section 6 of this chapter, the county executive shall adopt:

- (1) an ordinance; or
- (2) an order in a county having a consolidated city;

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dissolving the town.

(b) Except as provided in subsection (e), a dissolution takes effect:

(1) at least sixty (60) days after the ordinance or order under subsection (a) is adopted; and

(2) when the county auditor files a copy of the ordinance or order with:

(A) the circuit court clerk of each county in which the town is located; and

(B) the office of the secretary of state.

(c) The property owned by the town after payment of debts and liabilities shall be disposed of by the county executive. Any proceeds remaining shall be deposited in the county general fund. Dissolution of a town does not affect the validity of a contract to which the town is a party.

(d) After dissolution, the books and records of the town become the property of the county executive for safekeeping.

(e) A dissolution under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution under this section that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2nd of the year in which a federal decennial census is conducted.

(f) Notwithstanding subsection (e) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (e), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 67. IC 36-5-1.1-10.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 Sec. 10.5. (a) This section applies to the dissolution of an included town.

(b) The town legislative body may adopt a resolution to consider dissolution of the town under this section. The resolution must state the following:

(1) That the town legislative body conduct a public hearing at a stated date, place, and time concerning the dissolution of the town.

(2) That the town legislative body will hear all statements presented in favor of or in opposition to dissolution.

(3) That the town legislative body may adopt an ordinance to dissolve the town at the conclusion of the public hearing.

(c) The town clerk shall publish a notice of the public hearing in

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accordance with IC 5-3-1.

(d) The town legislative body may continue a public hearing under this section. If a hearing is continued, the clerk is not required to publish an additional notice under subsection (c).

(e) The town legislative body may adopt an ordinance following the conclusion of the public hearing under subsection (b). The town clerk shall file a copy of the ordinance with:

- (1) the circuit court clerk of the county; and
- (2) the office of the secretary of state.

(f) Except as provided in subsection (g), the ordinance dissolving the town takes effect:

- (1) at least sixty (60) days after adoption; and
- (2) when the ordinance is filed under subsection (e).

(g) A dissolution under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution under this section that would otherwise take effect during the year preceding a year in which the federal decennial census is conducted takes effect January 2 1 of the year in which a federal decennial census is conducted.

(h) When an ordinance dissolving a town becomes effective:

- (1) the territory included within the town when the ordinance was adopted becomes a part of the consolidated city;
- (2) the books and records of the town become the property of the county executive;
- (3) the property owned by the town after payment of debts and liabilities shall be disposed of by the county executive; and
- (4) the county executive shall deposit any proceeds remaining after payment of debts and liabilities into the county general fund.

(i) The dissolution of a town under this section does not affect the validity of a contract to which the town is a party.

(j) Notwithstanding subsection (g) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (g), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

SECTION 68. IC 36-5-1.1-10.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
Sec. 10.6. (a) This section applies to included towns.

(b) The dissolution of a town under this section may be instituted by filing a petition with the county board of registration. The petition must be signed by at least the number of the registered voters of the town required to place a candidate on the ballot under IC 3-8-6-3. The

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petition must be filed not later than June 1 of a year in which a general or municipal election will be held.

(c) If a petition meets the criteria set forth in subsection (b), the county board of registration shall certify the public question to the county election board under IC 3-10-9-3. The county election board shall place the question of dissolution on the ballot provided for voters in the included town at the first general or municipal election following certification. The question shall be placed on the ballot in the form prescribed by IC 3-10-9-4 and must state "Shall the town of _____ dissolve?".

(d) If the public question is approved by a majority of the voters voting on the question, the county election board shall file a copy of the certification prepared under IC 3-12-4-9 concerning the public question described by this section with the following:

- (1) The circuit court clerk of the county.
- (2) The office of the secretary of state.

(e) Except as provided in subsection (f), dissolution occurs:

- (1) at least sixty (60) days after certification under IC 3-12-4-9; and
- (2) when the certification is filed under subsection (d).

(f) A dissolution under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A dissolution under this section that would otherwise take effect during the year preceding a year in which the federal decennial census is conducted takes effect January 2 of the year in which a federal decennial census is conducted.

(g) When a town is dissolved under this section:

- (1) the territory included within the town when the ordinance was adopted becomes a part of the consolidated city;
- (2) the books and records of the town become the property of the county executive;
- (3) the property owned by the town after payment of debts and liabilities shall be disposed of by the county executive; and
- (4) the county executive shall deposit any proceeds remaining after payment of debts and liabilities into the county general fund.

(h) The dissolution of a town under this section does not affect the validity of a contract to which the town is a party.

(i) Notwithstanding subsection (f) as that subsection existed on December 31, 2009, a dissolution that took effect January 2, 2010, because of the application of subsection (f), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required.

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SECTION 69. IC 36-6-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]:
 Sec. 3. (a) When part of a township is owned by the state or the United States, devoted to a public use, and withdrawn from taxation for local purposes, and:

- (1) less than eighteen (18) square miles of the township remains subject to taxation; or
- (2) the township is divided into two (2) or more separate sections by the government owned part;

the county executive may issue an order to alter the boundaries of the township and adjoining townships on receipt of a petition signed by at least thirty-five percent (35%) of the resident freeholders of a part of the township adjoining another township.

(b) Except as provided in subsection (c), a boundary alteration under this section is effective when a copy of the order is filed with:

- (1) the circuit court clerk; and
- (2) the office of the secretary of state.

(c) A boundary alteration under this section may not take effect during the year preceding a year in which a federal decennial census is conducted. A boundary alteration that would otherwise take effect during the year preceding a year in which a federal decennial census is conducted takes effect January 2 1 of the year in which a federal decennial census is conducted.

(d) Notwithstanding subsection (c) as that subsection existed on December 31, 2009, a boundary alteration that took effect January 2, 2010, because of the application of subsection (c), as that subsection existed on December 31, 2009, is instead considered to take effect January 1, 2010, without any additional action being required."

Page 102, after line 42, begin a new paragraph and insert:

"SECTION 77. P.L.182-2009(ss), SECTION 479, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 30, 2009 (RETROACTIVE)]: SECTION 479. **(a) IC 1-1-5-10 does not apply to this SECTION.**

~~(a)~~ **(b)** This SECTION applies to:

- (1) an entity that:

(A) is operated as a nonprofit entity; and

(B) failed, for an assessment date after March 1, 2000, to:

~~(A)~~ **(i)** file a timely application under IC 6-1.1-11 for an exemption under IC 6-1.1-10-16; or

~~(B)~~ **(ii)** accompany a timely filed application for an exemption under IC 6-1.1-10-16 with sufficient information

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for the county property tax assessment board of appeals to determine whether the applicant was eligible for an exemption under IC 6-1.1-10-16, as specified on a response from the county assessor or property tax assessment board of appeals; and

(2) any part of the entity's property that would have qualified for an exemption under IC 6-1.1-10-16 as property owned, occupied, and predominately used for a charitable purpose, if the omissions described in subdivision (1) had not occurred.

~~(b)~~ (c) Notwithstanding IC 6-1.1-11 or any other law, an entity described in subsection ~~(a)~~ (b) may, before September 1, 2009, file or refile with the county assessor an application for a property tax exemption under IC 6-1.1-10-16 for an assessment date occurring after March 1, 2000, and before March 1, 2010.

~~(c)~~ (d) Notwithstanding IC 6-1.1-11 or any other law, an application for a property tax exemption that is filed under subsection ~~(b)~~ (c) is considered to be timely filed for the assessment date for which it is filed, and the county assessor shall forward the application to the county property tax assessment board of appeals for review or reconsideration. The board shall grant an exemption claimed under this SECTION for the assessment date covered by the application if, after reviewing all of the information submitted by the applicant, the board determines that:

(1) the entity's application for a property tax exemption satisfies the requirements of this SECTION; and

(2) except for the omissions described in subsection ~~(a)~~ (b), part or all of the entity's property would otherwise have qualified for an exemption under IC 6-1.1-10-16 for the assessment date covered by the application.

IC 6-1.1-11-7 and IC 6-1.1-15-3 apply to a determination under this SECTION.

~~(d)~~ (e) Notwithstanding IC 6-1.1-22-9 or any other law, if an exemption application is filed or refiled under this SECTION and an exemption under IC 6-1.1-10 had been granted for the property for property taxes first due and payable for any year after 1999, any unpaid taxes imposed on property and for a year covered by an exemption application are not due until thirty (30) days after the date the applicant's eligibility for the exemption under this SECTION is finally adjudicated and determined and a revised tax statement under IC 6-1.1-22-8.1 that reflects the final determination concerning the exemption application is delivered to the owner. During the pendency of the proceedings concerning an exemption application under this

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SECTION, no action under IC 6-1.1-24 or another law may be taken to collect the unpaid taxes for a year covered by the exemption application, including any action to sell the property at a tax sale. If an entity is granted an exemption or a partial exemption under this SECTION, any unpaid property tax liability, including interest, for the entity's property shall be canceled by the county auditor and the county treasurer to the extent of the exemption, and, notwithstanding IC 6-1.1-26-1, if the entity has previously paid the tax liability for property with respect to the assessment date covered by the application, the county auditor shall issue a refund of the property tax paid by the entity to the extent of the exemption. No interest or penalty shall be imposed on any tax liability remaining after the application of the exemption for any period before the taxes are due as provided in this subsection. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

~~(e)~~ (f) This SECTION expires January 1, 2010."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 239 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 239 be amended to read as follows:

Page 2, line 21, delete "reassessed" and insert "**inspected**".

Page 2, line 22, after "cycle." insert "**Those parcels inspected within the past five (5) years as a result of sales transactions are not required to be reinspected in the year's scheduled group.**".

Page 2, line 23, delete "reassessment" and insert "**inspection**".

Page 2, line 25, after "parcels" delete ":" and insert "**each year:**".

Page 2, line 27, delete "that is being" and insert "**scheduled for inspection that year;**".

Page 2, delete line 28.

Page 2, line 30, delete "reassessment" and insert "**inspection**".

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Page 2, line 31, after "begins" delete "." and insert "; and
(C) must be part of an annual reassessment plan that includes the reassessment of all parcels in the county through an annual adjustment procedure that maintains value uniformity throughout the county in accordance with section 4.5 of this chapter.".

Page 2, line 33, delete "reassessed, the reassessment" and insert **"inspected, as well as the balance of parcels not inspected that year, reassessment by annual adjustment of value"**.

Page 2, line 34, delete "in" and insert **"for"**.

Page 2, line 34, delete "to be".

Page 2, line 37, delete "reassessing" and insert **"inspecting"**.

Page 2, line 38, delete "A" and insert **"The"**.

Page 2, line 38, delete "may" and insert **"shall"**.

Page 2, line 39, after "parcels" insert **"in the county"**.

Page 2, line 39, delete "reassessed in one (1) year." and insert **"analyzed each year and their values adjusted as necessary to maintain assessment uniformity throughout the county."**.

Page 2, line 41, delete "reassessed" and insert **"inspected"**.

Page 3, line 5, delete "reassessment" and insert **"inspection"**.

Page 3, line 7, after "2012." insert **"The reassessment of all parcels in the county each year shall be in accordance with the annual adjustment rules established by the department of local government finance under section 4.5 of this chapter."**.

Page 3, line 12, after "value" strike "in".

Page 3, line 13, strike "those years since a".

Page 3, line 13, strike "reassessment".

Page 3, line 13, delete "under a county's".

Page 3, line 14, delete "reassessment plan for the".

Page 3, line 14, strike "property last took effect." and insert **"under a county's reassessment plan."**.

Page 3, line 17, after "thereafter" insert ".".

Page 3, line 17, strike "that is not a year in which a reassessment".

Page 3, line 17, delete "under the".

Page 3, line 18, delete "county's reassessment plan for the property".

Page 3, line 18, strike "becomes effective".

Page 52, between lines 25 and 26, begin a new paragraph and insert:
"SECTION 37. IC 6-1.1-20-3.1, AS AMENDED BY P.L.182-2009(ss), SECTION 143, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.1. (a) This section applies only to the following:

- (1) A controlled project (as defined in section 1.1 of this chapter

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as in effect June 30, 2008) for which the proper officers of a political subdivision make a preliminary determination in the manner described in subsection (b) before July 1, 2008.

(2) An elementary school building, middle school building, or other school building for academic instruction that:

- (A) is a controlled project;
- (B) will be used for any combination of kindergarten through grade 8;
- (C) will not be used for any combination of grade 9 through grade 12; and
- (D) will not cost more than ten million dollars (\$10,000,000).

(3) A high school building or other school building for academic instruction that:

- (A) is a controlled project;
- (B) will be used for any combination of grade 9 through grade 12;
- (C) will not be used for any combination of kindergarten through grade 8; and
- (D) will not cost more than twenty million dollars (\$20,000,000).

(4) Any other controlled project that:

- (A) is not a controlled project described in subdivision (1), (2), or (3); and
- (B) will not cost the political subdivision more than the lesser of the following:
 - (i) Twelve million dollars (\$12,000,000).
 - (ii) An amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date, if that amount is at least one million dollars (\$1,000,000).

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

- (1) The proper officers of a political subdivision shall:
 - (A) publish notice in accordance with IC 5-3-1; and
 - (B) send notice by first class mail to **the circuit court clerk and to** any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a

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preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease for a controlled project, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to **the circuit court clerk and to the organizations described in subdivision (1)(B).**

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease for a controlled project must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to initiate a petition and remonstrance process against the proposed debt service or lease payments must file a petition that complies with subdivisions (4) and (5) not later than thirty (30) days after publication in accordance with IC 5-3-1.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to incur annually to operate the facility.

(G) A statement of whether the school corporation expects to appeal for a new facility adjustment (as defined in IC 20-45-1-16 before January 1, 2009) for an increased maximum permissible tuition support levy to pay the estimated costs described in clause (F).

(H) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political

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subdivision issues the bonds or enters into the lease.

(4) After notice is given, a petition requesting the application of a petition and remonstrance process may be filed by the lesser of:

(A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of accounts before the petition is filed with the county voter registration office under subdivision (7).

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(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(9) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (8) make the final determination of the number of petitioners that are registered voters in the political subdivision and, based on the statement provided by the county auditor, the number of petitioners that own real property within the political subdivision. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in

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the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting a petition and remonstrance process. The certificate must state the number of petitioners that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

If a sufficient petition requesting a petition and remonstrance process is not filed by owners of real property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

SECTION 38. IC 6-1.1-20-3.2, AS AMENDED BY P.L.182-2009(ss), SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.2. (a) This section applies only to controlled projects described in section 3.1(a) of this chapter.

(b) If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to **the circuit court clerk and to the**

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organizations described in section 3.1(b)(1)(B) of this chapter. A notice under this subdivision must include a statement that any owners of real property within the political subdivision or registered voters residing within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision. Each signature on a petition must be dated, and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county voter registration office under subdivision (4).

(3) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition or remonstrance forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;

(D) govern the closing date for the petition and remonstrance

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period; and

(E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition or remonstrance must indicate whether the person is signing the petition or remonstrance as a registered voter within the political subdivision or is signing the petition or remonstrance as the owner of real property within the political subdivision. A person who signs a petition or remonstrance as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition or remonstrance as a real property owner must indicate the address of the real property owned by the person in the political subdivision. The county voter registration office may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county voter registration office shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county voter registration office within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county voter registration office shall determine whether each person who signed the petition or remonstrance is a registered voter. The county voter registration office shall not more than fifteen (15) business days after receiving a petition or remonstrance forward a copy of the petition or remonstrance to the county auditor. Not more than ten (10) business days after receiving the copy of the petition or remonstrance, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition or remonstrance as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition or remonstrance as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

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(6) The county voter registration office shall not more than ten (10) business days after receiving the statement from the county auditor under subdivision (5) make the final determination of:

(A) the number of registered voters in the political subdivision that signed a petition and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a petition; and

(B) the number of registered voters in the political subdivision that signed a remonstrance and, based on the statement provided by the county auditor, the number of owners of real property within the political subdivision that signed a remonstrance.

Whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition or remonstrance under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition or remonstrance only one (1) time in a particular petition and remonstrance process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition or remonstrance is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition or remonstrance, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(7) The county voter registration office must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases

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within thirty-five (35) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county voter registration office may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(8) If a greater number of persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county voter registration office's certificate under subdivision (7). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(9) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance if required by:

(A) IC 6-1.1-18.5-8; or

(B) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.

SECTION 39. IC 6-1.1-20-3.5, AS AMENDED BY P.L.182-2009(ss), SECTION 145, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 3.5. (a) This section applies only to a controlled project that meets the following conditions:

(1) The controlled project is described in one (1) of the following categories:

(A) An elementary school building, middle school building, or other school building for academic instruction that:

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- (i) will be used for any combination of kindergarten through grade 8;
- (ii) will not be used for any combination of grade 9 through grade 12; and
- (iii) will cost more than ten million dollars (\$10,000,000).

(B) A high school building or other school building for academic instruction that:

- (i) will be used for any combination of grade 9 through grade 12;
- (ii) will not be used for any combination of kindergarten through grade 8; and
- (iii) will cost more than twenty million dollars (\$20,000,000).

(C) Any other controlled project that:

- (i) is not a controlled project described in clause (A) or (B); and
- (ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

(1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to **the circuit court clerk and to** any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:

(A) The result of the political subdivision's current and

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projected annual debt service payments divided by the net assessed value of taxable property within the political subdivision.

(B) The result of:

(i) the sum of the political subdivision's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the political subdivision; divided by

(ii) the net assessed value of taxable property within the political subdivision.

(C) The information specified in subdivision (3)(A) through (3)(G).

(2) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to **the circuit court clerk and to the organizations described in subdivision (1).**

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:

(A) The maximum term of the bonds or lease.

(B) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(C) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(D) The purpose of the bonds or lease.

(E) A statement that the proposed debt service or lease payments must be approved in an election on a local public question held under section 3.6 of this chapter.

(F) With respect to bonds issued or a lease entered into to open:

(i) a new school facility; or

(ii) an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space;

the estimated costs the school corporation expects to annually incur to operate the facility.

(G) The political subdivision's current debt service levy and rate and the estimated increase to the political subdivision's debt service levy and rate that will result if the political subdivision issues the bonds or enters into the lease.

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(H) The information specified in subdivision (1)(A) through (1)(B).

(4) After notice is given, a petition requesting the application of the local public question process under section 3.6 of this chapter may be filed by the lesser of:

(A) one hundred (100) persons who are either owners of real property within the political subdivision or registered voters residing within the political subdivision; or

(B) five percent (5%) of the registered voters residing within the political subdivision.

(5) The state board of accounts shall design and, upon request by the county voter registration office, deliver to the county voter registration office or the county voter registration office's designated printer the petition forms to be used solely in the petition process described in this section. The county voter registration office shall issue to an owner or owners of real property within the political subdivision or a registered voter residing within the political subdivision the number of petition forms requested by the owner or owners or the registered voter. Each form must be accompanied by instructions detailing the requirements that:

(A) the carrier and signers must be owners of real property or registered voters;

(B) the carrier must be a signatory on at least one (1) petition;

(C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature; and

(D) govern the closing date for the petition period.

Persons requesting forms may be required to identify themselves as owners of real property or registered voters and may be allowed to pick up additional copies to distribute to other property owners or registered voters. Each person signing a petition must indicate whether the person is signing the petition as a registered voter within the political subdivision or is signing the petition as the owner of real property within the political subdivision. A person who signs a petition as a registered voter must indicate the address at which the person is registered to vote. A person who signs a petition as a real property owner must indicate the address of the real property owned by the person in the political subdivision.

(6) Each petition must be verified under oath by at least one (1) qualified petitioner in a manner prescribed by the state board of

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accounts before the petition is filed with the county voter registration office under subdivision (7).

(7) Each petition must be filed with the county voter registration office not more than thirty (30) days after publication under subdivision (2) of the notice of the preliminary determination.

(8) The county voter registration office shall determine whether each person who signed the petition is a registered voter. However, after the county voter registration office has determined that at least one hundred twenty-five (125) persons who signed the petition are registered voters within the political subdivision, the county voter registration office is not required to verify whether the remaining persons who signed the petition are registered voters. If the county voter registration office does not determine that at least one hundred twenty-five (125) persons who signed the petition are registered voters, the county voter registration office, not more than fifteen (15) business days after receiving a petition, shall forward a copy of the petition to the county auditor. Not more than ten (10) business days after receiving the copy of the petition, the county auditor shall provide to the county voter registration office a statement verifying:

(A) whether a person who signed the petition as a registered voter but is not a registered voter, as determined by the county voter registration office, is the owner of real property in the political subdivision; and

(B) whether a person who signed the petition as an owner of real property within the political subdivision does in fact own real property within the political subdivision.

(9) The county voter registration office, not more than ten (10) business days after determining that at least one hundred twenty-five (125) persons who signed the petition are registered voters or after receiving the statement from the county auditor under subdivision (8) (as applicable), shall make the final determination of whether a sufficient number of persons have signed the petition. Whenever the name of an individual who signs a petition form as a registered voter contains a minor variation from the name of the registered voter as set forth in the records of the county voter registration office, the signature is presumed to be valid, and there is a presumption that the individual is entitled to sign the petition under this section. Except as otherwise provided in this chapter, in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under IC 3 to

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determine whether a person is a registered voter for purposes of voting in an election governed by IC 3. However, an individual is not required to comply with the provisions concerning providing proof of identification to be considered a registered voter for purposes of this chapter. A person is entitled to sign a petition only one (1) time in a particular referendum process under this chapter, regardless of whether the person owns more than one (1) parcel of real property within the political subdivision and regardless of whether the person is both a registered voter in the political subdivision and the owner of real property within the political subdivision. Notwithstanding any other provision of this section, if a petition is presented to the county voter registration office within forty-five (45) days before an election, the county voter registration office may defer acting on the petition, and the time requirements under this section for action by the county voter registration office do not begin to run until five (5) days after the date of the election.

(10) The county voter registration office must file a certificate and each petition with:

(A) the township trustee, if the political subdivision is a township, who shall present the petition or petitions to the township board; or

(B) the body that has the authority to authorize the issuance of the bonds or the execution of a lease, if the political subdivision is not a township;

within thirty-five (35) business days of the filing of the petition requesting the referendum process. The certificate must state the number of petitioners who are owners of real property within the political subdivision and the number of petitioners who are registered voters residing within the political subdivision.

(11) If a sufficient petition requesting the local public question process is not filed by owners of real property or registered voters as set forth in this section, the political subdivision may issue bonds or enter into a lease by following the provisions of law relating to the bonds to be issued or lease to be entered into.

(c) If the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall provide to the county auditor:

(1) a copy of the notice required by subsection (b)(2); and

(2) any other information the county auditor requires to fulfill the county auditor's duties under section 3.6 of this chapter."

Page 66, between lines 9 and 10, begin a new paragraph and insert:

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"SECTION 52. IC 20-46-1-14, AS AMENDED BY P.L.146-2008, SECTION 499, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The referendum shall be held in the next primary ~~or election~~, general election, ~~or municipal election~~ in which all the registered voters who are residents of the appellant school corporation are entitled to vote after certification of the question under IC 3-10-9-3. **The certification of the question must occur not later than noon:**

- (1) sixty (60) days before a primary election if the question is to be placed on the primary or municipal primary election ballot; or**
- (2) August 1 if the question is to be placed on the general or municipal election ballot.**

However, if the referendum would be held at a primary or general election more than six (6) months after certification by the county fiscal body, the referendum shall be held at a special election to be conducted not less than ninety (90) days after the question is certified to the circuit court clerk or clerks by the county fiscal body. ~~a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the ballot under this chapter and if the appellant school corporation requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon sixty (60) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November).~~

(b) The school corporation shall advise each affected county election board of the date on which the school corporation desires that the referendum be held; and, if practicable, the referendum shall be held on the day specified by the school corporation.

(c) The referendum shall be held under the direction of the county election board, which shall take all steps necessary to carry out the referendum.

(d) If a primary election, general election, or special election is held during the sixty (60) days preceding or following the special election described in this section and is held in an election district that includes some, but not all, of the school corporation, the county election board may also adopt orders to specify when the registration period for the elections cease and resume under IC 3-7-13-10.

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(e) ~~Not less than ten (10) days before the date on which the referendum is to be held; the county election board shall cause notice of the question that is to be voted upon at the referendum to be published in accordance with IC 5-3-1.~~

(f) ~~(b) If the referendum is not conducted at a primary or election, general election, or municipal election, the appellant school corporation in which the referendum is to be held shall pay all the costs of holding the referendum."~~

Page 115, line 23, delete "operated" and insert "**owned, occupied, and used**".

Page 115, line 23, after "entity" delete ";" and insert "**(as described in IC 23);**".

Re-number all SECTIONS consecutively.

(Reference is to SB 239 as printed January 29, 2010.)

HERSHMAN

SENATE MOTION

Madam President: I move that Senate Bill 239 be amended to read as follows:

Page 117, between lines 5 and 6, begin a new paragraph and insert: "SECTION 78. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer notwithstanding IC 6-1.1-11 or any other law or administrative rule or provision.**

(b) This SECTION applies to an assessment date, as defined in IC 6-1.1-1-2, occurring after December 31, 2007, and before January 1, 2010.

(c) As used in this SECTION, "taxpayer" refers to a person, as defined in IC 6-1.1-1-10, that:

- (1) after January 15, 2010, and before January 25, 2010, filed or refiled, in a manner consistent with IC 6-1.1-36-1.5, a Form 136 property tax exemption application, along with any supporting documents, schedules, or attachments, claiming an exemption from real property taxes under IC 36-1-10-18 for any assessment date described in subsection (b); and**
- (2) leased real property to the bureau of motor vehicles commission during 2008 and 2009, and the real property identified in the property tax exemption application referred to in subdivision (1) received a full or partial exemption from**



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real property taxes for the 2006 or 2007 assessment date.

(d) A property tax exemption application referred to in subsection (c)(1):

(1) is allowed; and

(2) is considered to have been timely filed.

(e) A taxpayer is entitled to the exemptions from real property taxes as claimed on the property tax exemption applications referred to in subsection (c)(1) and is not required to pay property taxes, penalties or interest with respect to the exempt property.

(f) This SECTION expires July 1, 2011."

Renumber all SECTIONS consecutively.

(Reference is to SB 239 as printed January 29, 2010.)

YOUNG R MICHAEL

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 239, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 15.

Delete pages 2 through 19, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for:

(1) annually adjusting the assessed value of real property for assessment dates that precede 2012; and

(2) adjusting the assessed value of real property for:

(A) the assessment date in 2014; and

(B) the assessment date in every second year after 2014;

to account for changes in value in those years since a general reassessment of property last took effect.

(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not in the years designated in subsection (a) other than a year in which a reassessment becomes effective.

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

(1) Promote uniform and equal assessment of real property within

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and across classifications.

(2) Require that assessing officials:

- (A) reevaluate the factors that affect value;
- (B) express the interactions of those factors mathematically;
- (C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and
- (D) provide notice to taxpayers of an assessment increase that results from the application of ~~annual~~ adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

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

(e) In making the ~~annual~~ determination of the base rate to satisfy the requirement for an ~~annual~~ adjustment under subsection (a) the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

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

(g) This subsection applies if for an assessment date for which an adjustment is applied under this section the township assessor, or the county assessor if there is no township assessor for the township, proposes to apply in the determination of the assessed value of a parcel that would apply if there were no adjustment under this section any element of assessment methodology that is different from the assessment methodology used in the determination of the assessed value of the parcel for the immediately preceding assessment date. The assessor must:

- (1) document the different assessment methodology; and**
- (2) quantify:**
 - (A) the change in the assessed value of the parcel resulting from the different assessment methodology; and**
 - (B) the change in assessed value resulting from the adjustment under this section.**

SECTION 2. IC 6-1.1-4-4.6, AS ADDED BY P.L.182-2009(ss), SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2010]: Sec. 4.6. (a) If a county assessor fails before July 2 of a particular year **for which an adjustment to the assessed value of real property applies under section 4.5 of this chapter** to prepare and deliver to the county auditor a complete detailed list of all of the real property listed for taxation in the county as required by IC 6-1.1-5-14 and at least one hundred eighty (180) days have elapsed after the July 1 deadline specified in IC 6-1.1-5-14 for delivering the list, the department of local government finance may develop ~~annual~~ adjustment factors under this section for that year. In developing ~~annual~~ adjustment factors under this section, the department of local government finance shall use data in its possession that is obtained from:

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

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

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

- (1) the assessment date; and
- (2) the real property;

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

SECTION 3. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 16. (a) For purposes of making a general reassessment of real property or ~~annual~~ adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

- (1) deputies;
- (2) employees; and
- (3) technical advisors who are:

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- (A) qualified to determine real property values;
- (B) professional appraisers certified under 50 IAC 15; and
- (C) employed either on a full-time or a part-time basis, subject to sections 18.5 and 19.5 of this chapter.

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

SECTION 4. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

- (1) the estimated costs referred to in section 28.5(a) of this chapter; minus
- (2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2014, and each fifth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the four (4) years preceding that year, levy against all the taxable property in the county an amount equal to one-fifth (1/5) of the estimated costs of the general reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

- (1) a general reassessment; or
- (2) making ~~annual~~ adjustments under section 4.5 of this chapter; has changed.

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

- (1) a general reassessment;
- (2) verification under 50 IAC 21-3-2 of sales disclosure forms

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forwarded to the county assessor under IC 6-1.1-5.5-3; or
(3) processing ~~annual~~ adjustments under section 4.5 of this chapter.

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

(g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

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

SECTION 5. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
- (6) making ~~annual~~ adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:
 - (A) the county assessor; or
 - (B) township assessors (if any);
 under IC 6-1.1-5.5-3.

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

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

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

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

Page 20, delete lines 1 through 24.

Page 25, delete lines 25 through 42.

Delete pages 26 through 51, begin a new paragraph and insert:

"SECTION 6. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

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

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

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

(c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:

- (1) two million dollars (\$2,000,000); or
- (2) the product of:
 - (A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by
 - (B) the percentage from the following table:

YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under

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IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

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

- (1) a general reassessment of real property under IC 6-1.1-4-4; or
- (2) an ~~annual~~ adjustment under IC 6-1.1-4-4.5.

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

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

SECTION 7. IC 6-1.1-17-5, AS AMENDED BY P.L.182-2009(ss), SECTION 116, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions shall meet each year to fix the budget, tax rate, and tax levy of their respective subdivisions for the ensuing budget year as follows:

- (1) The board of school trustees of a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:
 - (A) the time required in section 5.6(b) of this chapter; or
 - (B) ~~for budget years beginning before July 1, 2011;~~ November 1, if a resolution adopted under section 5.6(d) of this chapter is in effect.
- (2) The proper officers of all other political subdivisions **that are not school corporations**, not later than November 1.
- (3) The governing body of ~~each~~ a school corporation (~~including~~ **(other than** a school corporation described in subdivision (1)) **that elects to adopt a budget under section 5.6 of this chapter for budget years beginning after June 30, 2011,** not later than

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the time required under section 5.6(b) of this chapter for budget years beginning after June 30, 2011.

(4) The governing body of a school corporation that is not described in subdivision (1) or (3), not later than November 1.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

- (1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and
- (3) two (2) copies of any findings adopted under subsection (c).

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

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy

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are continued for the ensuing budget year.

SECTION 8. IC 6-1.1-17-5.6, AS AMENDED BY P.L.182-2009(ss), SECTION 117, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget years beginning before July 1, 2011, this section applies only to a school corporation that is located in a city having a population of more than one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000). For budget years beginning after June 30, 2011, this section applies to all school corporations. Beginning in 2011, each school corporation ~~shall~~ **may elect to** adopt a budget under this section that applies from July 1 of the year through June 30 of the following year. In the initial budget adopted by a school corporation ~~in~~ **2011** under this section, the first six (6) months of that initial budget must be consistent with the last six (6) months of the budget adopted by the school corporation for ~~the~~ **the calendar year 2011**; **in which the school corporation elects by resolution to begin adopting budgets that correspond to the state fiscal year. A school corporation shall submit a copy of the resolution to the department of local government finance and the department of education not more than thirty (30) days after the date the governing body adopts the resolution.**

(b) Before February 1 of each year, the officers of the school corporation shall meet to fix the budget for the school corporation for the ensuing budget year, with notice given by the same officers. However, if a resolution adopted under subsection (d) is in effect, the officers shall meet to fix the budget for the ensuing budget year before ~~September 30~~; **November 1**.

(c) Each year, at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, the school corporation shall file with the county auditor:

- (1) a statement of the tax rate and tax levy fixed by the school corporation for the ensuing budget year;
- (2) two (2) copies of the budget adopted by the school corporation for the ensuing budget year; and
- (3) any written notification from the department of local government finance under section 16(i) of this chapter that specifies a proposed revision, reduction, or increase in the budget adopted by the school corporation for the ensuing budget year.

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

(d) ~~This subsection does not apply to budget years after June 30;~~

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~~2011.~~ The governing body of the school corporation may adopt a resolution to cease using a school year budget year and return to using a calendar year budget year. A resolution adopted under this subsection must be adopted after January 1 and before July 1. The school corporation's initial calendar year budget year following the adoption of a resolution under this subsection begins on January 1 of the year following the year the resolution is adopted. The first six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection. ~~Notwithstanding any resolution adopted under this subsection, beginning in 2011, each school corporation shall adopt a budget under this section that applies from July 1 of the year through June 30 of the following year.~~

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

SECTION 9. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008, SECTION 168, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

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

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

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

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

- (1) an ~~annual~~ adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

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

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- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- (7) IC 12-29-3-6;
- (8) IC 13-21-3-12;
- (9) IC 13-21-3-15;
- (10) IC 14-27-6-30;
- (11) IC 14-33-7-3;
- (12) IC 14-33-21-5;
- (13) IC 15-14-7-4;
- (14) IC 15-14-9-1;
- (15) IC 15-14-9-2;
- (16) IC 16-20-2-18;
- (17) IC 16-20-4-27;
- (18) IC 16-20-7-2;
- (19) IC 16-22-14;
- (20) IC 16-23-1-29;
- (21) IC 16-23-3-6;
- (22) IC 16-23-4-2;
- (23) IC 16-23-5-6;
- (24) IC 16-23-7-2;
- (25) IC 16-23-8-2;
- (26) IC 16-23-9-2;
- (27) IC 16-41-15-5;
- (28) IC 16-41-33-4;
- (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- (30) IC 20-46-6-5;
- (31) IC 20-49-2-10;
- (32) IC 36-1-19-1;
- (33) IC 23-14-66-2;
- (34) IC 23-14-67-3;
- (35) IC 36-7-13-4;
- (36) IC 36-7-14-28;
- (37) IC 36-7-15.1-16;
- (38) IC 36-8-19-8.5;
- (39) IC 36-9-6.1-2;
- (40) IC 36-9-17.5-4;
- (41) IC 36-9-27-73;
- (42) IC 36-9-29-31;

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- (43) IC 36-9-29.1-15;
- (44) IC 36-10-6-2;
- (45) IC 36-10-7-7;
- (46) IC 36-10-7-8;
- (47) IC 36-10-7.5-19;
- (48) IC 36-10-13-5;
- (49) IC 36-10-13-7;
- (50) IC 36-10-14-4;
- (51) IC 36-12-7-7;
- (52) IC 36-12-7-8;
- (53) IC 36-12-12-10; and
- (54) any statute enacted after December 31, 2003, that:

(A) establishes a maximum rate for any part of the:

- (i) property taxes; or
- (ii) special benefits taxes;

imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the ~~annual~~ adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the ~~annual~~ adjustment or general reassessment takes effect to the year that the ~~annual~~ adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

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(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 10. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

(1) an ~~annual~~ adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or

(2) a general reassessment of real property under IC 6-1.1-4-4.

(b) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the ~~annual~~ adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the ~~annual~~ adjustment or general reassessment takes effect to the year that the ~~annual~~ adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

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STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(c) The department of local government finance shall compute the maximum rate allowed under subsection (b) and provide the rate to each school corporation.

SECTION 11. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(1) the remainder of:

(A) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government

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"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC ~~6-1.1-4-4.5~~ for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 12. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

- (1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or
- (2) the excess, if any, of:
 - (A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;
 IC 8-16-3;
 IC 8-16-3.1;
 IC 8-22-3-25;
 IC 14-27-6-48;
 IC 14-33-9-3;
 IC 16-22-8-41;
 IC 16-22-5-2 through IC 16-22-5-15;
 IC 16-23-1-40;
 IC 36-8-14;
 IC 36-9-4-48;
 IC 36-9-14;
 IC 36-9-14.5;



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IC 36-9-15;
 IC 36-9-15.5;
 IC 36-9-16;
 IC 36-9-16.5;
 IC 36-9-17;
 IC 36-9-26;
 IC 36-9-27-100;
 IC 36-10-3-21; or
 IC 36-10-4-36;

that are first due and payable during the ensuing calendar year;
 over

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

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each year to account for the change in assessed value of real property that results from:

- (1) an ~~annual~~ adjustment of the assessed value of real property under IC 6-1.1-4-4.5; or
- (2) a general reassessment of real property under IC 6-1.1-4-4.

(c) The new maximum rate under a statute listed in subsection (a) is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax under the statute for the year preceding the year in which the ~~annual~~ adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the ~~annual~~ adjustment or general reassessment takes effect to the year that the ~~annual~~ adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a).

SECTION 13. IC 6-1.1-18.5-13, AS AMENDED BY P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the department may find that a civil taxing unit should receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the department the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons. With respect to annexation, consolidation, or other extensions of governmental services in a calendar year, if those increased costs are incurred by the civil taxing unit in that calendar year and more than one (1) immediately succeeding calendar year, the unit may appeal under section 12 of this chapter for permission to increase its levy under this subdivision based on those increased costs in any of the following:

(A) The first calendar year in which those costs are incurred.

(B) One (1) or more of the immediately succeeding four (4) calendar years.

(2) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs

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of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

- (A) the cost of personal services (including fringe benefits);
 - (B) the cost of supplies; and
 - (C) any other cost directly related to the operation of the court.
- (3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the department finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and two-hundredths (1.02):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property or the initial ~~annual~~ adjustment of the assessed value of real property under IC 6-1.1-4-4.5 does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and:

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

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STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and:

(i) for a particular calendar year before 2007, the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or

(ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in all counties under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

divided by the sum determined under this STEP for the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

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(B) twenty percent (20%) of:

- (i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus
- (ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus
- (iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(5) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(6) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

- (A) the township's township assistance ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and
 - (B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.
- The maximum increase that the board may recommend for a township is the levy that would result from an increase in the

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township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand

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(7,000) but less than seven thousand three hundred (7,300);
and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

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Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(10) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A

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township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under this section to reallocate property tax replacement credits under IC 6-3.5-1.1 in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

(13) A levy increase may be granted under this subdivision only for property taxes first due and payable after December 31, 2008. Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if the civil taxing unit cannot carry out its governmental functions for an ensuing calendar year under the levy limitations imposed by section 3 of this chapter due to a natural disaster, an accident, or another unanticipated emergency."

Page 52, delete lines 1 through 38.

Page 70, delete lines 26 through 42, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-30-14, AS AMENDED BY P.L.219-2007, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 14. The department of local government finance:

- (1) shall see that the property taxes due this state are collected;
- (2) shall see that the penalties prescribed under this article are enforced;
- (3) shall investigate the property tax laws and systems of other states and countries;
- (4) for assessment dates after December 31, 2008, shall conduct all ratio studies required for:
 - (A) equalization under 50 IAC 14; and
 - (B) ~~annual~~ adjustments under 50 IAC 21; and

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(5) may recommend changes in this state's property tax laws to the general assembly.

SECTION 18. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008, SECTION 296, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

(3) When the money in the fund is sufficient to pay all

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outstanding principal of and interest (to the earliest date on which the obligations can be redeemed) on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district, money in the special fund in excess of that amount shall be paid to the respective taxing units in the manner prescribed by subdivision (1).

(b) Property tax proceeds allocable to the economic development district under subsection (a)(2) must, subject to subsection (a)(3), be irrevocably pledged by the unit for payment as set forth in subsection (a)(2).

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

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

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

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

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

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

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under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

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

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

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

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

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

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

Delete pages 71 through 78.

Page 79, delete lines 1 through 6.

Page 80, delete lines 8 through 26, begin a new paragraph and insert:

"SECTION 19. IC 6-7-1-31.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.1. (a) The fiscal body of each city and the fiscal body of each town shall, by ordinance or resolution, establish a cumulative capital improvement fund for the city or town. Except as otherwise provided in subsection (c), the city or town may only use money in its cumulative capital improvement fund: to:

- (1) **to** purchase land, easements, or rights-of-way;
- (2) **to** purchase buildings;
- (3) **to** construct or improve city owned property;
- (4) **to** design, develop, purchase, lease, upgrade, maintain, or



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repair:

- (A) computer hardware;
 - (B) computer software;
 - (C) wiring and computer networks; and
 - (D) communications access systems used to connect with computer networks or electronic gateways;
- (5) to pay for the services of full-time or part-time computer maintenance employees;
- (6) to conduct nonrecurring in-service technology training of unit employees;
- (7) to undertake Internet application development; or
- (8) to retire general obligation bonds issued by the city or town for one (1) of the purposes stated in subdivision (1), (2), (3), (4), (5), or (6); or
- (9) for any other governmental purpose for which money is appropriated by the fiscal body of the city or town.**

(b) The money in the city's or town's cumulative capital improvement fund does not revert to its general fund.

(c) A city or town may at any time, by ordinance or resolution, transfer to:

- (1) its general fund; or
- (2) an authority established under IC 36-7-23;

money derived under this chapter that has been deposited in the city's or town's cumulative capital improvement fund.

SECTION 20. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 11. (a) The state board of accounts and the department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department consider appropriate for the implementation of this chapter.

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

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

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SECTION 21. IC 20-46-1-7, AS AMENDED BY P.L.182-2009(ss), SECTION 345, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19-4.5 (before its repeal).

(b) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school corporation's general fund to the school corporation's fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county auditor. A school corporation that adopts a resolution under this section may, for property taxes first due and payable after 2005, levy an additional amount for the fund that does not exceed the amount of the excessive tax levy added to the school corporation's base tax levy before 2002.

(c) The power of the school corporation to impose the levy transferred to the fund under this section expires December 31, 2012, unless:

- (1) the school corporation adopts a resolution to reimpose or extend the levy; and
- (2) the levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in this chapter.

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the **department of local government finance and the** county auditor. However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a levy transferred to the fund under this section may be combined with a question presented to the voters to reimpose or extend a levy initially imposed after 2001. A levy reimposed or extended under this subsection shall be treated for all purposes as a levy reimposed or extended under this chapter.

(d) The school corporation's levy under this section may not be considered in the determination of the school corporation's state tuition support distribution under IC 20-43 or the determination of any other property tax levy imposed by the school corporation.

SECTION 22. IC 20-46-1-8, AS AMENDED BY P.L.146-2008,

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SECTION 495, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for either of the following purposes:

- (1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.
- (2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.

(b) The governing body of the school corporation shall certify a copy of the resolution to the **department of local government finance and the** county fiscal body of each county in which the school corporation is located."

Page 81, delete lines 35 through 42.

Page 82, delete lines 1 through 18, begin a new paragraph and insert:

"SECTION 54. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss), SECTION 349, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 6.1. (a) This section does not apply to a school corporation ~~located in South Bend;~~ **that elects to adopt a budget under IC 6-1.1-17-5.6**, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan.

~~(c) This section expires January 1, 2011.~~

SECTION 55. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss), SECTION 350, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) ~~Except as provided in subsection (b);~~ This section applies only to a school corporation ~~located in South Bend;~~ **that elects to adopt a budget under IC 6-1.1-17-5.6.**

~~(b) After December 31, 2010; this section applies to all school corporations.~~

~~(c) This subsection expires January 1, 2011.~~ (b) This section does

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not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

~~(d)~~ (c) Before the governing body of the school corporation may collect property taxes for the fund in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

- (1) conduct a public hearing on; and
- (2) pass a resolution to adopt;

a plan.

SECTION 56. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss), SECTION 353, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section does not apply to a school corporation that ~~is located in South Bend,~~ **elects to adopt a budget under IC 6-1.1-17-5.6**, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before a governing body may collect property taxes for a capital projects fund in a particular year, the governing body must:

- (1) after January 1; and
- (2) not later than September 20;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

~~(c) This section expires January 1, 2011.~~

SECTION 57. IC 20-46-6-9, AS AMENDED BY P.L.182-2009(ss), SECTION 354, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to a school corporation that ~~is located in South Bend,~~ **elects to adopt a budget under IC 6-1.1-17-5.6**. However, this section does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect.

(b) Before the governing body of the school corporation may collect property taxes for a fund in a particular year, the governing body must:

- (1) after January 1; and
- (2) before February 2;

of the immediately preceding year, hold a public hearing on a proposed or amended plan and pass a resolution to adopt the proposed or amended plan.

SECTION 58. IC 36-1-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Subject to**

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subsection (c), the fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met:

- (1) It must be necessary to borrow money to enhance the fund that is in need of money for cash flow purposes.
- (2) There must be sufficient money on deposit to the credit of the other fund that can be temporarily transferred.
- (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.
- (4) The amount transferred must be returned to the other fund at the end of the prescribed period.
- (5) Only revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be included in the amount transferred.

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance.

(c) This subsection applies to municipalities. The municipal fiscal body may adopt an ordinance, following a public hearing for which notice is given in accordance with IC 5-3-1, determining that a transfer under subsection (a) is a permanent transfer rather than a transfer for a specific period. However, this subsection does not permit a municipality to permanently transfer revenues derived from:

- (1) the levying and collection of a property tax or special tax imposed for a special taxing district;**

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(2) the levying and collection of a property tax or special tax imposed to guarantee or pay interest or principal on bonds, notes, debentures, or other evidences of indebtedness or to make lease-rental payments;

(3) the levying and collection of a property tax or special tax that was raised for a cumulative fund, except as provided in IC 6-7-1-31.1; or

(4) the operation of a utility (as defined in IC 8-1.5-1-10)."

Page 85, delete lines 7 through 15.

Page 99, delete lines 10 through 42, begin a new paragraph and insert:

"SECTION 20. IC 36-7-14-39, AS AMENDED BY P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 39. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government

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finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

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

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

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

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution

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

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

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

(B) the base assessed value;

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

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

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

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- refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.
- (G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.
- (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
- (I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:
 STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
 STEP TWO: Divide:
 - (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
 - (ii) the STEP ONE sum.

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STEP THREE: Multiply:

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

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

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

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

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

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

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

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and

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any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

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

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

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

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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

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

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

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

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

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~annual~~ adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or ~~annual~~ adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

SECTION 21. IC 36-7-15.1-26, AS AMENDED BY P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 26. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

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

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

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

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

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation

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

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

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

(B) the base assessed value;

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

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

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

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

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

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are

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physically located in or physically connected to that allocation area.

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

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

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

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

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

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

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

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

- (i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and

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any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

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

(1) the assessed value of the property for the assessment date with

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respect to which the allocation and distribution is made; or
(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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

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

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

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

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

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enterprise zone.

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

(A) Businesses operating in the enterprise zone.

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

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the ~~annual~~ adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or ~~annual~~ adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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a law that:

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

SECTION 22. IC 36-7-15.1-53, AS AMENDED BY P.L.182-2009(ss), SECTION 407, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 53. (a) As used in this section:

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

"Base assessed value" means:

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

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

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

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

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

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

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

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

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that

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allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

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

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

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

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

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

(3) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

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

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

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or
- (ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

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

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

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has

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

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

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

(A) Businesses operating in the enterprise zone.

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

(3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

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

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

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

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

SECTION 77. IC 36-7-22-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. An ordinance adopted under section 7 of this chapter must establish an economic improvement board to be appointed by the legislative body. The board must have at least three (3) members, and a majority of the board members must own real property within the district. **However, if there is only one (1) property owner within the district, the legislative body shall appoint one (1) member to the economic improvement board who owns real property within the district and not more than two (2) other members who are not required to own real property within the district.**

SECTION 78. IC 36-7-22-12, AS AMENDED BY P.L.1-2009, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The board shall use the formula approved by the legislative body under section 7(a)(4) of this chapter to determine the percentage of benefit to be received by each

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parcel of real property within the economic improvement district. The board shall apply the percentage determined for each parcel to the total amount that is to be defrayed by special assessment and determine the **special** assessment for each parcel.

(b) Promptly after determining the proposed assessment for each parcel, the board shall mail notice to each owner of property to be assessed. This notice must:

- (1) set forth the amount of the proposed **special** assessment;
- (2) state that the proposed **special** assessment on each parcel of real property in the economic improvement district is on file and can be seen in the board's office;
- (3) state the time and place where written remonstrances against the **special** assessment may be filed;
- (4) set forth the time and place where the board will hear any owner of assessed real property who has filed a remonstrance before the hearing date; and
- (5) state that the board, after hearing evidence, may increase or decrease, or leave unchanged, the **special** assessment on any parcel.

(c) The notices must be deposited in the mail twenty (20) days before the hearing date. The notices to the owners must be addressed as the names and addresses appear on the tax duplicates and the records of the county auditor.

(d) At the time fixed in the notice, the board shall hear any owner of assessed real property who has filed a written remonstrance before the date of the hearing. The hearing may be continued from time to time as long as is necessary to hear the owners.

(e) The board shall render its decision by increasing, decreasing, or confirming each **special** assessment by setting opposite each name, parcel, and proposed assessment, the amount of the assessment as determined by the board. However, if the total of the **special** assessments exceeds the amount needed, the board shall make a prorated reduction in each **special** assessment.

(f) Except as provided in section 13 of this chapter, the signing of the **special** assessment schedule by a majority of the members of the board and the delivery of the schedule to the county auditor constitute a final and conclusive determination of the benefits that are assessed.

- (g) Each economic improvement district **special** assessment is
- (1) ~~included within the definition of property taxation under IC 6-1.1-1-14; and~~
 - (2) a lien on the real property that is assessed, ~~in the economic improvement district; second only to ad valorem property taxes~~

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levied on that property.

The general assembly finds that an economic improvement district assessment is a property tax levied for the general public welfare.

(h) An economic improvement district assessment paid by a property owner is a property tax for the purposes of applying Section 164 of the Internal Revenue Code to the determination of adjusted gross income. However, an economic improvement district assessment paid by a property owner is not eligible for a credit under IC 6-1.1; IC 6-3.5; or any other law.

(i) **(h)** The board shall certify to the county auditor the schedule of special assessments of benefits. **For purposes of providing substantiation of the deductibility of a special assessment for federal adjusted gross income tax purposes under Section 164 of the Internal Revenue Code, the board shall, to the extent practicable, supplement the schedule of special assessments provided to the county auditor with a statement that identifies the part of each special assessment that is allocable to interest, maintenance, and repair charges. If the board provides the county auditor with the statement, the county auditor shall show, on the tax statement, the part of the special assessment that is for interest and maintenance and repair items separately from the remainder of the special assessment.**

SECTION 23. IC 36-7-30-25, AS AMENDED BY P.L.146-2008, SECTION 770, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 25. (a) The following definitions apply throughout this section:

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

(2) "Base assessed value" means:

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

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

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential

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property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

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

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

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

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

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

(B) the base assessed value;

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

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

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

(B) Establish, augment, or restore the debt service reserve for

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bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the reuse authority, including lease rental revenues.

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

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

(E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the reuse authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area: STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

- (i) in the allocation area; and

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

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

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

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

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess property tax proceeds determined by the reuse authority. The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

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

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

(d) Property tax proceeds allocable to the military base reuse district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base reuse district for payment as set forth in subsection (b)(2).

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

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

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

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

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

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the ~~annual~~ adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment or ~~annual~~ adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 24. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008, SECTION 772, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 30. (a) The following definitions apply throughout this section:

- (1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.
- (2) "Base assessed value" means:
 - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus
 - (B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels

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

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

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

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

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

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

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

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

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

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

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

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

(G) Reimburse public and private entities for expenses

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incurred in training employees of industrial facilities that are located:

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

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

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

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

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

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

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

The county auditors shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the development authority. The development authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under

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section 24 of this chapter. Property taxes received by a taxing unit under this subdivision before 2009 are eligible for the property tax replacement credit provided under IC 6-1.1-21.

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

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

(d) Property tax proceeds allocable to the military base development district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the military base development district for payment as set forth in subsection (b)(2).

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

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

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

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the development authority shall create funds as specified in this subsection. A development authority that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. The development authority shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A

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development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the ~~annual~~ adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment or ~~annual~~ adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 25. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

(b) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment

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on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the ~~annual~~ adjustment on the property tax proceeds allocated to the certified technology park fund under section 17 of this chapter."

Delete pages 100 through 129.

Page 130, delete lines 1 through 41, begin a new paragraph and insert:

"SECTION 81. IC 36-9-16-2, AS AMENDED BY P.L.8-2009, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A unit may establish a cumulative building or sinking fund or cumulative capital improvement funds to provide money for one (1) or more of the following purposes:

- (1) To purchase, construct, equip, and maintain buildings for public purposes.
- (2) To acquire the land, and any improvements on it, that are necessary for the construction of public buildings.
- (3) To demolish any improvements on land acquired under this section, and to level, grade, and prepare the land for the construction of a public building.
- (4) To acquire land or rights-of-way to be used as a public way or other means of ingress or egress to land acquired for the construction of a public building.
- (5) To improve or construct any public way or other means of ingress or egress to land acquired for the construction of a public building.

(b) In addition to the purposes described in subsection (a), a cumulative capital improvement fund may be used to purchase body armor (as defined in IC 36-8-4-4.5(a)) for active members of a police department.

(c) A municipality may establish a cumulative capital improvement fund for a purpose described in IC 6-7-1-31.1."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 239 as reprinted February 2, 2010.)

CRAWFORD, Chair

Committee Vote: yeas 24, nays 0.

ES 239—LS 6929/DI 73+

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