April 15, 2011

ENGROSSED
HOUSE BILL No. 1244

DIGEST OF HB 1244 (Updated April 14, 2011 11:43 am - DI 58)

Citations Affected: IC 6-1.1; IC 36-7; noncode.

Synopsis: Local government. Defines a contract containing the required terms as a qualified installment contract under the property tax credit and deduction laws. Provides that a person who: (1) owns property subject to taxation; (2) intentionally misrepresents a residential lease as a qualified installment contract; and (3) through the person's misrepresentation causes another individual to improperly claim a deduction that is made available to a buyer under a qualified installment contract; is liable for any additional taxes that would have been due on the property if the person had leased the property to the purported contract buyer, plus a civil penalty equal to 10% of the additional taxes due. Provides a property tax exemption for certain property leased to the bureau of motor vehicles or bureau of motor vehicles commission for the 2010 through 2016 assessment dates. Provides that an exemption application does not have to be filed annually to continue the exemption through the 2016 assessment date. Provides that the property tax exemption for fraternity or sorority property applies to property used for administrative purposes, including property owned by a national or international headquarters, fraternity

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Effective: Upon passage; January 1, 2008 (retroactive); January 1, 2010 (retroactive); March 1, 2011 (retroactive); July 1, 2011.

Friend, Moseley

(SENATE SPONSORS — HEAD, CHARBONNEAU, BRODEN)

January 12, 2011, read first time and referred to Committee on Local Government.
January 31, 2011, amended, reported — Do Pass.
February 7, 2011, read second time, ordered engrossed.
February 8, 2011, engrossed. Read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 12, 2011, read first time and referred to Committee on Appropriations.
April 14, 2011, amended, reported favorably — Do Pass.

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or sorority foundations, and housing corporations. Specifies that the exemption applies only if the property is owned by a fraternity or sorority (or a national or international headquarters, foundation, or housing corporation related to a fraternity or sorority) that is exempt from federal income taxation under Section 501(c)(3) or Section 501(c)(7) of the Internal Revenue Code. Deletes from current law the requirement that property may qualify for the exemption only if the property is used exclusively by the fraternity or sorority to carry out its purposes. Specifies the terms that a contract for the purchase of real property must include to qualify the buyer for certain property tax deductions. Provides that a county auditor's notice of a tax sale is not to state that the person redeeming real property after the sale is required to pay the amount by which the sales price exceeded the minimum bid. Revises the language of the written statement that a bidder on property at a tax sale must sign (which concerns the bidder's bid being applied to delinquent taxes owed by the bidder) so as to make that statement consistent with the redemption requirements of the law. Eliminates a provision that applied only to tax sale property that was offered in 2006 and found to be brownfield property. Provides that a person redeeming tax sale property where a certificate of sale has been sold must pay 110% of the amount of the minimum bid (rather than the amount of the minimum bid, under current law) for which the property was last offered for sale. Adds a provision requiring a person redeeming tax sale property where a certificate of sale has been sold to also pay 10% per annum on the amount by which the purchase price of the property exceeded the minimum bid. Provides that when a person who purchases real property at a tax sale fails to pay the bid: (1) the county treasurer or the county prosecutor (rather than only the county prosecutor, under current law) must initiate an action to recover the civil penalty; (2) the suit must be initiated in the name of the county and not the treasurer of state; and (3) the person may be found liable for treble damages, costs, and reasonable attorney's fees. Provides that an owner, to redeem tax sale property, must pay 10% per annum on the amount by which the purchase price of the property exceeded the minimum bid but is not required to pay the amount by which the purchase price of the property exceeded the minimum bid. Applies statewide the authority that currently applies only in Lake County allowing the county auditor to remove real property from a tax sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes. Establishes a period during which a taxpayer who fails to make a payment under the delinquent property tax payment arrangement may not enter into another arrangement. Allows the county treasurer to extend the tax sale redemption period applicable to a homestead if the county treasurer and the taxpayer agree to an arrangement for payment of the amount required for redemption before the expiration of the extended redemption period. Provides for cancellation of the agreement and the extension if the taxpayer fails to meet the terms of the agreement. Provides that the total amount required for redemption includes all taxes, special assessments, penalties, and fees on property that accrued after the tax sale. Provides that a redevelopment commission may not enter into any obligation payable from public funds without first obtaining the approval, by ordinance or resolution, of the legislative body of the unit. Provides an exception if the obligation is for the acquisition of real property and the agreement to acquire the real property requires the redevelopment commission to either: (1) make payments for the real property for a term of less than three years; or (2) purchase the real property for a cost of less than $5,000,000. Specifies that the approving ordinance or resolution of a legislative body must include the following: (1) The maximum amount of the obligation or the maximum amount of the lease rental for the lease. (2) The maximum interest rate, any provisions for redemption prior to maturity,

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and any provisions for the payment of capitalized interest associated with the obligation or lease. (3) The maximum term of the obligation or lease. Provides that any agreement by a redevelopment commission to: (1) make payments for the property to be purchased over a term exceeding three years; or (2) pay a purchase price for the property that exceeds $5,000,000; is subject to the approval of the legislative body of the unit. Provides that a redevelopment commission and a department of redevelopment are subject to the oversight of the legislative body of the unit, including review by the legislative body of annual budgets. Specifies that a redevelopment commission and a department of redevelopment are subject to the same laws, rules, and ordinances of a general nature that apply to all other commissions or departments of the unit. Requires a redevelopment commission to provide to the legislative body of the unit at a public meeting all the information supporting the action the redevelopment commission proposes to take regarding the sale, transfer, or other disposition of property. Requires a redevelopment commission to obtain the approval of the legislative body of the unit if the amount of excess assessed value determined by the commission is expected to generate more than 200% of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan. Provides that the legislative body of the unit may modify the commission's determination with respect to the amount of excess assessed value that exceeds 200% of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan. Requires the treasurer of a redevelopment commission outside Indianapolis and the secretary-treasurer of a redevelopment authority outside Indianapolis to report quarterly to the fiscal officer of the unit that established the commission or authority. Provides that the Indianapolis controller is the fiscal officer of the redevelopment commission and redevelopment authority in Indianapolis. Authorizes the Indianapolis controller to obtain financial services on a contractual basis. Provides for the retroactive application of a property tax exemption to a taxpayer that owns real and personal property used as part of or in connection with a men's cooperative house. Provides for a two year property tax exemption for the property of the Marion County Medical Society (which provides services to its members as the Indianapolis Medical Society) and similarly situated medical societies. Provides a property tax exemption for property taxes due in 2009, 2010, and 2011 for an organization in Marion County that is dedicated to providing services to the community and that failed to timely file an application for those years, if the organization was entitled to an exemption in 2007 for the same property. Provides a property tax exemption for 2010 and 2011 for property owned by a nonprofit corporation and used as a center for the arts and for which an exemption was granted before 2010. Requires the commission on state tax and financing policy to study issues concerning standards for determining when a cooperative housing corporation is eligible for a property tax standard deduction or a property tax circuit breaker credit.

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April 15, 2011

First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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ENGROSSED
HOUSE BILL No. 1244

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

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

SECTION 1. IC 6-1.1-1-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 14.5. (a) "Qualified installment contract" means the following:**

(1) A contract for the purchase of real property that complies with each of the requirements in subsection (b).

(2) A contract for:

(A) the purchase of a mobile home not assessed as real property; or

(B) a manufactured home that is not assessed as real property;

that complies with each of the requirements in subsection (c).

(b) A contract for the purchase of real property is a qualified installment contract if the contract complies with each of the following requirements:

(1) The contract or a memorandum of the contract is recorded in the county recorder's office of the county in which

the real property is located.

(2) The contract requires the buyer to pay the property taxes on the real property.

(3) The contract specifies the total contract price.

(4) The contract requires the seller to issue a deed or other evidence of title to the buyer upon the buyer's payment of the total contract price.

(c) A contract for the purchase of a mobile home not assessed as real property or a manufactured home that is not assessed as real property is a qualified installment contract if the contract complies with each of the following requirements:

(1) The contract or a memorandum of the contract is recorded with the county recorder's office of the county in which the mobile home or manufactured home is located.

(2) The contract requires the buyer to pay the property taxes on the mobile home or manufactured home.

SECTION 2. IC 6-1.1-10-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 24. (a) Subject to the limitations contained in subsection (b) of this section, the following tangible property is exempt from property taxation if it is owned by a fraternity or sorority **that is exempt from federal income taxation under Section 501(c)(3) or Section 501(c)(7) of the Internal Revenue Code:**

(1) a tract of land; ~~not exceeding one (1) acre;~~

(2) the improvements situated on the tract of land; and

(3) all personal property.

(b) This exemption does not apply unless:

(1) the fraternity or sorority is connected with **or related to,** and under the supervision of, a college, university, or other educational institution; ~~and~~ **or**

(2) the property is used ~~exclusively~~ by the fraternity or sorority to carry out its purpose, **including as an international, national, state, or local headquarters or to support the administrative, executive, or other functions associated with the operation of a fraternity or sorority.**

(c) For purposes of this section, "fraternity or sorority" includes:

(1) a fraternity or sorority that is connected with or related to, and under the supervision of, a college, university, or other educational institution;

(2) an international, national, state, or local fraternity or sorority that administers, coordinates, operates, or governs

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fraternity or sorority chapters, units, divisions, or other groups or group members that are connected with or related to, and under the supervision of, a college, university, or other educational institution;

(3) a foundation related to a fraternity or sorority; or

(4) a housing corporation or similar entity related to a fraternity or sorority.

(d) To qualify for the exemption allowed by this section, the property may be owned, occupied, or used by more than one (1) fraternity or sorority, as long as the property is used to carry out the purposes of fraternities or sororities.

SECTION 3. IC 6-1.1-11-4, AS AMENDED BY P.L.182-2009(ss), SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 or 3.5 of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21;

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16; ~~or~~

(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16; **or**

(D) other tangible property owned by a fraternity or sorority (as defined in IC 6-1.1-10-24).

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once for a religious use under IC 6-1.1-10-21, ~~or~~ an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, **or use by a fraternity or**

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sorority under IC 6-1.1-10-24; and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24.**

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24.** However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24** has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, ~~or~~ IC 6-1.1-10-16, **or IC 6-1.1-10-24.** Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, ~~or~~ IC 6-1.1-10-16, **or IC 6-1.1-10-24.**

SECTION 4. IC 6-1.1-11-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. (a) This section applies to a taxpayer notwithstanding this chapter 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 in 2010 through 2016, and is referred to in this section as the "applicable assessment date".

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

(1) leases real property to the bureau of motor vehicles or the bureau of motor vehicles commission as of an applicable assessment date; and

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(2) filed or refiled after January 15, 2010, and before January 25, 2010, 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 property leased to the bureau of motor vehicles or bureau of motor vehicles commission for an assessment date that is before 2010.

(d) If the real property identified in the Form 136 property tax exemption application referred to in subsection (c)(2) at any time received a full or partial exemption from real property taxes for an assessment date that is before an applicable assessment date, the taxpayer is entitled to an exemption from real property taxes for each applicable assessment date for all property leased to the bureau of motor vehicles or bureau of motor vehicles commission for that applicable assessment date. The taxpayer is not required to pay property taxes, penalties, or interest with respect to the exempt property.

(e) The exemption allowed by this section shall be applied by the auditor of the county in which the real property exempt under this section is located without the taxpayer having to annually file or refile an exemption application under section 3 of this chapter.

(f) The part of the real property that is exempt under this section shall be based on the square footage of the real property leased to the bureau of motor vehicles or bureau of motor vehicles commission. The county auditor may request from the taxpayer information that is reasonably necessary to demonstrate:

(1) that the real property is leased to the bureau of motor vehicles or bureau of motor vehicles commission as of a particular applicable assessment date; and

(2) the appropriate exemption percentage.

The auditor of the county in which the real property exempt under this section is located shall apply the same exemption percentage to both the land and improvements owned by the taxpayer.

(g) The county assessor or the property tax assessment board of appeals of the county in which the real property exempt under this section is located may not exercise any authority over the exemption and may not disapprove the exemption. The exemption allowed by this section applies regardless of whether the property tax assessment board of appeals of the county in which the property exempt under this section is located has previously denied the exemption for an applicable assessment date.

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(h) This section expires January 1, 2018.

SECTION 5. IC 6-1.1-12-1, AS AMENDED BY P.L.81-2010, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) Each year a person who is a resident of this state may receive a deduction from the assessed value of:

(1) mortgaged real property, an installment loan financed mobile home that is not assessed as real property, or an installment loan financed manufactured home that is not assessed as real property, with the mortgage or installment loan instrument recorded with the county recorder's office, that the person owns;

(2) real property, a mobile home that is not assessed as real property, or a manufactured home that is not assessed as real property that the person is buying under a **qualified installment** contract; ~~with the contract or a memorandum of the contract recorded in the county recorder's office, which provides that the person is to pay the property taxes on the real property, mobile home, or manufactured home;~~ or

(3) real property, a mobile home that is not assessed as real property, or a manufactured home that the person owns or is buying on a **qualified installment** contract ~~described in subdivision (2)~~ on which the person has a home equity line of credit that is recorded in the county recorder's office.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction which the person may receive under this section for a particular year is:

(1) the balance of the mortgage or contract indebtedness (including a home equity line of credit) on the assessment date of that year;

(2) one-half (1/2) of the assessed value of the real property, mobile home, or manufactured home; or

(3) three thousand dollars ($3,000);

whichever is least.

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~which provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(d) The person must:

(1) own the real property, mobile home, or manufactured home; or

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(2) be buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement is filed under section 2 of this chapter.

SECTION 6. IC 6-1.1-12-2, AS AMENDED BY P.L.81-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, for a person to qualify for the deduction provided by section 1 of this chapter a statement must be filed under subsection (b) or (c). Regardless of the manner in which a statement is filed, the mortgage, **qualified installment** contract, or memorandum (including a home equity line of credit) must be recorded with the county recorder's office to qualify for a deduction under section 1 of this chapter.

(b) Subject to subsection (c), to apply for the deduction under section 1 of this chapter with respect to real property, the person recording the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract with the county recorder may file a written statement with the county recorder containing the information described in subsection (e)(1), (e)(2), (e)(3), (e)(4), (e)(6), (e)(7), and (e)(8). The statement must be prepared on the form prescribed by the department of local government finance and be signed by the property owner or contract purchaser under the penalties of perjury. The form must have a place for the county recorder to insert the record number and page where the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract is recorded. Upon receipt of the form and the recording of the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract, the county recorder shall insert on the form the record number and page where the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract is recorded and forward the completed form to the county auditor. The county recorder may not impose a charge for the county recorder's duties under this subsection. The statement must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county recorder on or before January 5 of the immediately succeeding calendar year.

(c) With respect to:

(1) real property as an alternative to a filing under subsection (b); or

(2) a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property;

to apply for a deduction under section 1 of this chapter, a person who

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desires to claim the deduction may file a statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property the statement must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded **qualified installment** contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property.

(d) Upon receipt of:

(1) the statement under subsection (b); or

(2) the statement under subsection (c) and the recorded **qualified installment** contract or recorded memorandum of the contract;

the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the **qualified installment** contract.

(e) The statement referred to in subsections (b) and (c) must be verified under penalties for perjury. The statement must contain the following information:

(1) The balance of the person's mortgage, home equity line of credit, or **qualified installment** contract indebtedness that is recorded in the county recorder's office on the assessment date of the year for which the deduction is claimed.

(2) The assessed value of the real property, mobile home, or manufactured home.

(3) The full name and complete residence address of the person and of the mortgagee or contract seller.

(4) The name and residence of any assignee or bona fide owner or holder of the mortgage, home equity line of credit, or **qualified installment** contract, if known, and if not known, the person shall state that fact.

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(5) The record number and page where the mortgage, **qualified installment** contract, or memorandum of the contract is recorded.

(6) A brief description of the real property, mobile home, or manufactured home which is encumbered by the mortgage or home equity line of credit or sold under the **qualified installment** contract.

(7) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in it.

(8) The name of any other county in which the person has applied for a deduction under this section and the amount of deduction claimed in that application.

(f) The authority for signing a deduction application filed under this section may not be delegated by the real property, mobile home, or manufactured home owner or contract buyer to any person except upon an executed power of attorney. The power of attorney may be contained in the recorded mortgage, **qualified installment** contract, or memorandum of the contract, or in a separate instrument.

(g) A closing agent (as defined in section 43(a)(2) of this chapter) is not liable for any damages claimed by the property owner or contract purchaser because of:

(1) the closing agent's failure to provide the written statement described in subsection (b);

(2) the closing agent's failure to file the written statement described in subsection (b);

(3) any omission or inaccuracy in the written statement described in subsection (b) that is filed with the county recorder by the closing agent; or

(4) any determination made with respect to a property owner's or contract purchaser's eligibility for the deduction under section 1 of this chapter.

(h) The county recorder may not refuse to record a mortgage, **qualified installment** contract, or memorandum because the written statement described in subsection (b):

(1) is not included with the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract;

(2) does not contain the signatures required by subsection (b);

(3) does not contain the information described in subsection (e); or

(4) is otherwise incomplete or inaccurate.

(i) The form prescribed by the department of local government finance under subsection (b) and the instructions for the form must

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both include a statement:

(1) that explains that a person is not entitled to a deduction under section 1 of this chapter unless the person has a balance on the person's mortgage or contract indebtedness that is recorded in the county recorder's office (including any home equity line of credit that is recorded in the county recorder's office) that is the basis for the deduction; and

(2) that specifies the penalties for perjury.

(j) The department of local government finance shall develop a notice:

(1) that must be displayed in a place accessible to the public in the office of each county auditor;

(2) that includes the information described in subsection (i); and

(3) that explains that the form prescribed by the department of local government finance to claim the deduction under section 1 of this chapter must be signed by the property owner or contract purchaser under the penalties of perjury.

SECTION 7. IC 6-1.1-12-9, AS AMENDED BY P.L.113-2010, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars ($25,000);

(3) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a **qualified installment** contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and

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the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred eighty-two thousand four hundred thirty dollars ($182,430);

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, (for assessment dates after February 28, 2008) 37.5, and 38 of this chapter; and

(7) the person:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 10.1 of this chapter is filed.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars ($12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) twelve thousand four hundred eighty dollars ($12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years

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of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property~~ may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 8. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1)

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taxing district in the same county. The statement shall contain:

(1) the source and exact amount of gross income received by the individual and the individual's spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and complete residence address;

(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on **a qualified installment** contract; and

(5) any additional information which the department of local government finance may require.

(c) In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor a copy of the applicant's and a copy of the applicant's spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 9. IC 6-1.1-12-11, AS AMENDED BY P.L.1-2010, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a **qualified installment** contract ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and~~ if:

(1) the individual is blind or the individual has a disability;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence;

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars ($17,000); and

(4) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured

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home under **a qualified installment** contract;

on the date the statement required by section 12 of this chapter is filed.

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "individual with a disability" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) An individual with a disability filing a claim under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) An individual with a disability not covered under the federal Social Security Act shall be examined by a physician and the individual's status as an individual with a disability determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 10. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the application must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile

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home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of the division of family resources or the division of disability and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the **qualified installment** contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a **qualified installment** contract. ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home.~~

SECTION 11. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Except as provided in section 40.5 of this chapter an individual may have twenty-four thousand nine hundred sixty dollars ($24,960) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a **qualified installment** contract ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and~~ if:

(1) the individual served in the military or naval forces of the United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual has a disability with a service connected disability of ten percent (10%) or more;

(4) the individual's disability is evidenced by:

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the

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individual's disability qualifies the individual to receive a deduction under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 15 of this chapter is filed.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 12. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a **qualified installment** contract) ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office)~~ if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual either:

(A) has a total disability; or

(B) is at least sixty-two (62) years old and has a disability of at

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least ten percent (10%);

(4) the individual's disability is evidenced by:

(A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 15 of this chapter is filed.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred forty-three thousand one hundred sixty dollars ($143,160).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 13. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in which the individual resides. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes

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to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a **qualified installment** contract, ~~that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home,~~ the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 14. IC 6-1.1-12-16, AS AMENDED BY P.L.1-2009, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of eighteen thousand seven hundred twenty dollars ($18,720) deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a **qualified installment** contract ~~that provides that the surviving spouse is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and~~ if:

(1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918;

(2) the deceased spouse received an honorable discharge; and

(3) the surviving spouse:

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(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under contract;

on the date the statement required by section 17 of this chapter is filed.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, he or she may receive any other deduction which he or she is entitled to by law.

(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17. Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be filed during the year for which the surviving spouse wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the **qualified installment** contract or memorandum of the contract is recorded, if the individual is buying the real property on a **qualified installment** contract. ~~that provides that the individual is to pay property taxes on the real property.~~

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service

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of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 16. IC 6-1.1-12-17.4, AS AMENDED BY P.L.1-2009, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of eighteen thousand seven hundred twenty dollars ($18,720) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a **qualified installment** contract ~~that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office,~~ if:

(1) the real property, mobile home, or manufactured home is the veteran's principal residence;

(2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed two hundred six thousand five hundred dollars ($206,500);

(3) the veteran owns the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; and

(4) the veteran:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 17.5 of this chapter is filed.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the

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deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 17. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must file the statement during the year for which the veteran wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) a description and the assessed value of the real property, mobile home, or manufactured home;

(2) the veteran's full name and complete residence address;

(3) the record number and page where the contract or memorandum of the **qualified installment** contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a **qualified installment** contract; ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home;~~ and

(4) any additional information which the department of local government finance may require.

SECTION 18. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2011 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an

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individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence:

(A) that is located in Indiana;

(B) that:

(i) the individual owns;

(ii) the individual is buying under a **qualified installment** contract; ~~recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;~~

(iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or

(iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

(1) the assessment date; or

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

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

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

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

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not assessed as real property; or

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

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

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

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

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

(3) the names of:

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

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

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

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

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

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(B) if the applicant or the applicant's spouse (if any) do not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

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

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

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

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

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

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

the individual must file a certified statement with the auditor of the

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

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

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

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

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

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

(j) The department of local government finance shall work with county auditors to develop procedures to determine whether a property

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owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

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

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

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

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

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

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

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

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

(2) first due and payable in 2010;

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

(m) For assessments dates after 2009, the term "homestead" includes:

(1) a deck or patio;

(2) a gazebo; or

(3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

SECTION 19. IC 6-1.1-12-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 39. (a) A person who is:

(1) purchasing property under a contract that does not require the buyer to pay property taxes on the property; and

(2) required to pay property taxes under IC 6-1.1-10-41;

is eligible for a deduction granted by this chapter to the same extent as a person who is buying property under a **qualified installment**

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contract. ~~that provides the contract buyer is to pay property taxes on the property.~~

(b) To obtain the deduction, with the application the applicant must provide:

(1) the same information concerning the contract that is required for **qualified installment** contracts; ~~that require the buyer to pay property taxes;~~ and

(2) information that indicates that IC 6-1.1-10-41 applies to the property.

SECTION 20. IC 6-1.1-12-46 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 46. (a) This section applies to an assessed valuation deduction claimed for:**

(1) an assessment date occurring after February 28, 2012, with respect to property taxes first due and payable after December 31, 2012, for an assessed valuation deduction claimed for real property; or

(2) an assessment date occurring after December 31, 2011, with respect to property taxes first due and payable after December 31, 2011, for an assessed valuation deduction claimed for a mobile home or manufactured home assessed under IC 6-1.1-7.

(b) A person who:

(1) owns property subject to taxation under this article;

(2) intentionally misrepresents a residential lease as a qualified installment contract; and

(3) through the misrepresentation described in subdivision (2) causes another individual to improperly claim a deduction that is made available to a buyer under a qualified installment contract under this chapter;

is liable for any additional taxes that would have been due on the property if the person had leased the property to the purported contract buyer, plus a civil penalty equal to ten percent (10%) of the additional taxes due.

(c) The civil penalty imposed under subsection (b) is in addition to any interest and penalties for a delinquent payment that might otherwise be due.

(d) One percent (1%) of the total civil penalty collected under this section shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under section 37 of this chapter and, to the extent there is money remaining, for

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any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

SECTION 21. IC 6-1.1-24-1.2, AS AMENDED BY P.L.113-2010, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.2. (a) Except as provided in subsection (c), a tract or an item of real property may not be removed from the list certified under section 1 of this chapter before the tax sale unless all:

(1) delinquent taxes and special assessments due before the date the list on which the property appears was certified under section 1 of this chapter; and

(2) penalties due on the delinquency, interest, and costs directly attributable to the tax sale;

have been paid in full.

(b) A county treasurer may accept partial payments of delinquent property taxes, assessments, penalties, interest, or costs under subsection (a) after the list of real property is certified under section 1 of this chapter. However a partial payment does not remove a tract or an item from the list certified under section 1 of this chapter unless the taxpayer complies with subsection (a) or (c) before the date of the tax sale.

(c) The county auditor ~~in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000)~~ may remove a tract or an item of real property from the list certified under section 1 of this chapter before the tax sale if the county treasurer and the taxpayer agree to a mutually satisfactory arrangement for the payment of the delinquent taxes.

(d) The county treasurer may remove the tract or item from the list certified under section 1 of this chapter if the arrangement described in subsection (c):

(1) is in writing;

(2) is signed by the taxpayer; and

(3) requires the taxpayer to pay the delinquent taxes in full ~~within one (1)~~ **not later than the last business day before July 1 of the** year ~~of~~ **after** the date the agreement is signed.

(e) If the taxpayer fails to make a payment under the arrangement described in subsection (c):

(1) the arrangement is void; and

(2) the county auditor shall immediately place the tract or item of real property on the list of real property eligible for sale at a tax sale.

~~(f) If the tract or item of real property subject to a payment arrangement is within the jurisdiction of a:~~

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~~(1) city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000);~~

~~(2) city having a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800); or~~

~~(3) city having a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000);~~

~~the county auditor shall notify the mayor of the city of the arrangement.~~

(f) If the county auditor acts under subsection (e) with respect to a tract or item subject to an arrangement described in subsection (c), the taxpayer may not enter into another arrangement under subsection (c) with respect to that tract or item after the due date of the payment referred to in subsection (d) and before the date that succeeds by five (5) years the date on which the original arrangement would have expired if the arrangement had not become void under subsection (e).

SECTION 22. IC 6-1.1-24-2, AS AMENDED BY P.L.146-2008, SECTION 258, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) In addition to the delinquency list required under section 1 of this chapter, each county auditor shall prepare a notice. The notice shall contain the following:

(1) A list of tracts or real property eligible for sale under this chapter.

(2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder, subject to the right of redemption.

(3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of:

(A) the delinquent taxes and special assessments on each tract or item of real property;

(B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent;

(C) all penalties due on the delinquencies;

(D) an amount prescribed by the county auditor that equals the sum of:

(i) the greater of twenty-five dollars ($25) or postage and publication costs; and

(ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and

(E) any unpaid costs due under subsection (b) from a prior tax sale.

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(4) A statement that a person redeeming each tract or item of real property after the sale must pay:

(A) one hundred ten percent (110%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed not more than six (6) months after the date of sale;

(B) one hundred fifteen percent (115%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed more than six (6) months after the date of sale;

(C) ~~the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus~~ ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and

(D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.

(5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The township assessor, or the county assessor if there is no township assessor for the township, upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.

(6) A statement that the county does not warrant the accuracy of the street address or common description of the property.

(7) A statement indicating:

(A) the name of the owner of each tract or item of real property with a single owner; or

(B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.

(8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:

(A) A statement:

(i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment

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against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and

(ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.

(B) A statement that any defense to the application for judgment must be:

(i) filed with the court; and

(ii) served on the county auditor and the county treasurer;

before the date designated as the earliest date on which the application for judgment may be filed.

(C) A statement that the county auditor and the county treasurer are entitled to receive all pleadings, motions, petitions, and other filings related to the defense to the application for judgment.

(D) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.

(9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.

(10) A statement that the sale will take place at the times and dates designated in the notice. Whenever the public auction is to be conducted as an electronic sale, the notice must include a statement indicating that the public auction will be conducted as an electronic sale and a description of the procedures that must be followed to participate in the electronic sale.

(11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).

(12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.

(13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

(14) If a determination has been made under subsection (d), a

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statement that tracts or items will be sold together.

(b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified in the tax duplicate.

(c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

(d) The county auditor and county treasurer may establish the condition that a tract or item will be sold and may be redeemed under this chapter only if the tract or item is sold or redeemed together with one (1) or more other tracts or items. Property may be sold together only if the tract or item is owned by the same person.

SECTION 23. IC 6-1.1-24-5.3, AS AMENDED BY P.L.88-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5.3. (a) This section applies to the following:

(1) A person who:

(A) owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in an unsafe building or unsafe premises in the county in which a sale is held under this chapter; and

(B) is subject to an order issued under IC 36-7-9-5(a)(2), IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5) regarding which the conditions set forth in IC 36-7-9-10(a)(1) through IC 36-7-9-10(a)(4) exist.

(2) A person who:

(A) owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in an unsafe building or unsafe premises in the county in which a sale is held under this chapter; and

(B) is subject to an order issued under IC 36-7-9-5(a), other than an order issued under IC 36-7-9-5(a)(2), IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5), regarding which the conditions set forth in IC 36-7-9-10(b)(1)

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through IC 36-7-9-10(b)(4) exist.

(3) A person who is the defendant in a court action brought under IC 36-7-9-18, IC 36-7-9-19, IC 36-7-9-20, IC 36-7-9-21, or IC 36-7-9-22 in the county in which a sale is held under this chapter that has resulted in a judgment in favor of the plaintiff and the unsafe condition that caused the action to be brought has not been corrected.

(4) A person who has any of the following relationships to a person, partnership, corporation, or legal entity described in ~~subdivisions~~ **subdivision** (1), (2), or (3);

(A) A partner of a partnership.

(B) An officer or majority stockholder of a corporation.

(C) The person who directs the activities or has a majority ownership in a legal entity other than a partnership or corporation.

(5) A person who, in the county in which a sale is held under this chapter, owes:

(A) delinquent taxes;

(B) special assessments;

(C) penalties;

(D) interest; or

(E) costs directly attributable to a prior tax sale;

on a tract or an item of real property listed under section 1 of this chapter.

(6) A person who owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in a vacant or abandoned structure subject to an enforcement order under IC 32-30-6, IC 32-30-7, IC 32-30-8, or IC 36-7-9.

(7) A person who is an agent of the person described in this subsection.

(b) A person subject to this section may not purchase a tract offered for sale under section 5 or 6.1 of this chapter. However, this section does not prohibit a person from bidding on a tract that is owned by the person and offered for sale under section 5 of this chapter.

(c) The county treasurer shall require each person who will be bidding at the tax sale to sign a statement in a form substantially similar to the following:

"Indiana law prohibits a person who owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale, from purchasing tracts or items of real property at a tax sale. I hereby affirm under the penalties for perjury that I do not owe delinquent taxes, special assessments,

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penalties, interest, costs directly attributable to a prior tax sale, amounts from a final adjudication in favor of a political subdivision in this county, any civil penalties imposed for the violation of a building code or ordinance of this county, or any civil penalties imposed by a health department in this county. Further, I hereby acknowledge that any successful bid I make in violation of this statement is subject to forfeiture. In the event of forfeiture, the amount ~~of~~ **by which** my bid **exceeds the minimum bid, if any,** shall be applied to the delinquent taxes, special assessments, penalties, interest, costs, judgments, or civil penalties I owe, and a certificate will be issued to the county executive.".

(d) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is subject to forfeiture. If the county treasurer determines or is notified not more than six (6) months after the date of the sale that the sale of the property should be forfeited, the county treasurer shall:

(1) notify the person in writing that the sale is subject to forfeiture if the person does not pay the amounts that the person owes within thirty (30) days of the notice;

(2) if the person does not pay the amounts that the person owes within thirty (30) days after the notice, apply the ~~surplus~~ amount of the person's bid **that exceeds the minimum bid** to the person's delinquent taxes, special assessments, penalties, and interest;

(3) remit the amounts owed from a final adjudication or civil penalties in favor of a political subdivision to the appropriate political subdivision; and

(4) notify the county auditor that the sale has been forfeited.

Upon being notified that a sale has been forfeited, the county auditor shall issue a certificate to the county executive under section 6 of this chapter.

(e) A county treasurer may decline to forfeit a sale under this section because of inadvertence or mistake, lack of actual knowledge by the bidder, substantial harm to other parties with interests in the tract or item of real property, or other substantial reasons. If the treasurer declines to forfeit a sale, the treasurer shall:

(1) prepare a written statement explaining the reasons for declining to forfeit the sale; and

(2) retain the written statement as an official record.

(f) If a sale is forfeited under this section and the tract or item of real property is redeemed from the sale, the county auditor shall deposit the amount of the redemption into the county general fund and notify the

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county executive of the redemption. Upon being notified of the redemption, the county executive shall surrender the certificate to the county auditor.

SECTION 24. IC 6-1.1-24-6, AS AMENDED BY P.L.89-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) When a tract or an item of real property is offered for sale under this chapter and an amount is not received equal to or in excess of the minimum sale price prescribed in section 5(e) of this chapter, the county executive acquires a lien in the amount of the minimum sale price. This lien attaches on the day after the last date on which the tract or item was offered for sale.

(b) When a county executive acquires a lien under this section, the county auditor shall issue a tax sale certificate to the county executive in the manner provided in section 9 of this chapter. The county auditor shall date the certificate the day that the county executive acquires the lien. When a county executive acquires a certificate under this section, the county executive has the same rights as a purchaser.

(c) When a lien is acquired by a county executive under this section, no money shall be paid by the county executive. However, each of the taxing units having an interest in the taxes on the tract shall be charged with the full amount of all delinquent taxes due them.

~~(d) This section shall apply to any tract or an item of real property offered for sale under this chapter in 2006, and an amount was not received equal to or in excess of the minimum sale price prescribed in section 5(e) of this chapter, if the county executive finds that the tract or item of real property meets the definition of a brownfield as set forth in IC 13-11-2-19.3.~~

SECTION 25. IC 6-1.1-24-6.1, AS AMENDED BY P.L.73-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6.1. (a) The county executive may do the following:

(1) By resolution, identify properties:

(A) that are described in section 6.7(a) of this chapter; and

(B) concerning which the county executive desires to offer to the public the certificates of sale acquired by the county executive under section 6 of this chapter.

(2) In conformity with IC 5-3-1-4, publish:

(A) notice of the date, time, and place for a public sale; and

(B) a listing of parcels on which certificates will be offered by parcel number and minimum bid amount;

once each week for three (3) consecutive weeks, with the final advertisement being not less than thirty (30) days before the sale

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date. The expenses of the publication shall be paid out of the county general fund.

(3) Sell each certificate of sale covered by the resolution for a price that:

(A) is less than the minimum sale price prescribed by section 5(e) of this chapter; and

(B) includes any costs to the county executive directly attributable to the sale of the certificate of sale.

(b) Notice of the list of properties prepared under subsection (a) and the date, time, and place for the public sale of the certificates of sale shall be published in accordance with IC 5-3-1. The notice must:

(1) include a description of the property by parcel number and common address;

(2) specify that the county executive will accept bids for the certificates of sale for the price referred to in subsection (a)(3);

(3) specify the minimum bid for each parcel;

(4) include a statement that a person redeeming each tract or item of real property after the sale of the certificate must pay:

(A) **one hundred ten percent (110%) of** the amount of the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale;

(B) ten percent (10%) ~~of~~ **per annum on** the amount ~~for which the certificate is sold~~ **by which the purchase price exceeds the minimum bid;**

(C) the attorney's fees and costs of giving notice under IC 6-1.1-25-4.5;

(D) the costs of a title search or of examining and updating the abstract of title for the tract or item of real property;

(E) all taxes and special assessments on the tract or item of real property paid by the purchaser after the sale of the certificate plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property; and

(F) all costs of sale, advertising costs, and other expenses of the county directly attributable to the sale of certificates of sale; and

(5) include a statement that, if the certificate is sold for an amount more than the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

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SECTION 26. IC 6-1.1-24-8, AS AMENDED BY P.L.89-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. When one who purchases real property at a tax sale fails to pay the bid, the real property shall again be offered for sale. A purchaser who fails to pay the bid shall pay a civil penalty of twenty-five percent (25%) of the amount of the bid. The county prosecuting attorney **or the county treasurer** shall initiate an action in the name of the ~~state treasurer~~ **county** to recover the civil penalty, **treble damages, costs, and reasonable attorney's fees.** Amounts collected under this section shall be deposited in the county general fund.

SECTION 27. IC 6-1.1-25-2, AS AMENDED BY P.L.89-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The total amount of money required for the redemption of real property equals:

(1) the sum of the amounts prescribed in subsections (b) through ~~(e),~~ **(f);** or

(2) the amount prescribed in subsection ~~(f),~~ **(g);**

reduced by any amounts held in the name of the taxpayer or the purchaser in the tax sale surplus fund.

(b) Except as provided in subsection ~~(f),~~ **(g),** the total amount required for redemption includes:

(1) one hundred ten percent (110%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed not more than six (6) months after the date of sale; or

(2) one hundred fifteen percent (115%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed more than six (6) months but not more than one (1) year after the date of sale.

(c) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amount required under subsection (b), the total amount required for redemption includes ~~the amount by which the purchase price exceeds the minimum bid on the real property plus~~ ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property.

(d) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amount required under subsections (b) and (c), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser after the sale plus ten percent (10%) interest per annum on those taxes and special assessments.

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(e) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amounts required under subsections (b), (c), and (d), the total amount required for redemption includes the following costs, if certified before redemption and not earlier than thirty (30) days after the date of sale of the property being redeemed by the payor to the county auditor on a form prescribed by the state board of accounts, that were incurred and paid by the purchaser, the purchaser's assignee, or the county, before redemption:

(1) The attorney's fees and costs of giving notice under section 4.5 of this chapter.

(2) The costs of a title search or of examining and updating the abstract of title for the tract or item of real property.

(f) The total amount required for redemption includes, in addition to the amounts required under subsections (b) and (e), all taxes, special assessments, penalties, and fees on the property that accrued after the sale.

~~(f)~~ **(g)** With respect to a tract or item of real property redeemed under section 4(c) of this chapter, instead of the amounts stated in subsections (b) through ~~(e),~~ **(f),** the total amount required for redemption is the amount determined under IC 6-1.1-24-6.1(b)(4).

SECTION 28. IC 6-1.1-25-4, AS AMENDED BY P.L.73-2010, SECTION 6, AND AS AMENDED BY P.L.98-2010, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The period for redemption of real property sold under IC 6-1.1-24 is:

(1) one (1) year after the date of sale;

(2) one hundred twenty (120) days after the date of sale to a purchasing agency qualified under IC 36-7-17; or

(3) one hundred twenty (120) days after the date of sale of real property on the list prepared under IC 6-1.1-24-1(a)(2) or IC 6-1.1-24-1.5.

(b) *Subject to* **subsection (l) and** *IC 6-1.1-24-9(d),* the period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is not sold under IC 6-1.1-24-6.1;

is one hundred twenty (120) days after the date the county executive acquires the lien under IC 6-1.1-24-6.

(c) The period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

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(2) for which the certificate of sale is sold under IC 6-1.1-24;

is one hundred twenty (120) days after the date of sale of the certificate of sale under IC 6-1.1-24.

(d) When a deed for real property is executed under this chapter, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property, subject to this chapter.

(e) When a deed is issued to a county executive under this chapter, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(f) A tax deed executed under this chapter vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (e). However, *subject to subsection (g),* the estate is subject to:

(1) all easements, covenants, declarations, and other deed restrictions shown by public records;

(2) laws, ordinances, and regulations concerning governmental police powers, including zoning, building, land use, improvements on the land, land division, and environmental protection; and

(3) liens and encumbrances created or suffered by the grantee.

(g) A tax deed executed under this chapter for real property sold in a tax sale:

(1) does not operate to extinguish an easement recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located, regardless of whether the easement was taxed under this article separately from the real property; and

(2) conveys title subject to all easements recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located.

~~(g)~~ *(h)* A tax deed executed under this chapter is prima facie evidence of:

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(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

~~(h)~~ *(i)* A county auditor is not required to execute a deed to the county executive under this chapter if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county executive may enter the property to conduct environmental investigations.

~~(i)~~ *(j)* If the county executive makes the determination under subsection ~~(h)~~ *(i)* as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an interest shall be zero (0) until production commences.

~~(j)~~ *(k)* When a deed is issued to a purchaser of a certificate of sale sold under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that taxes are removed by certificate of error, remove from the tax duplicate the taxes, special assessments, interest, penalties, and costs remaining due as the difference between the amount of the last minimum bid under IC 6-1.1-24-5(e) and the amount paid for the certificate of sale.

(l) If the county treasurer and the owner of a homestead (as defined in IC 6-1.1-12-37(a)(2)) agree before the expiration of the period for redemption under subsection (b) to a mutually satisfactory arrangement for the payment of the amount required for redemption under section 2 of this chapter before the expiration of a period for redemption extended under this subsection:

(1) the county treasurer may extend the period for redemption; and

(2) except as provided in subsection (m), the extended period for redemption expires one (1) year after the date of the agreement.

(m) If the owner of a homestead fails to meet the terms of an agreement entered into with the county treasurer under subsection (l), the county treasurer may terminate the agreement after providing thirty (30) days written notice to the owner. If the county

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treasurer gives notice under this subsection, the extended period for redemption established under subsection (l) expires thirty (30) days after the date of the notice.

SECTION 29. IC 36-7-14-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 0.5. (a) The definitions in this section apply throughout this chapter.**

(b) "Obligation" means any bond, note, warrant, lease, or other obligation pursuant to which money is borrowed.

(c) "Public funds" means all fees and funds of whatever kind or character coming into the possession of the:

(1) redevelopment commission; or

(2) department of redevelopment.

SECTION 30. IC 36-7-14-2.5, AS AMENDED BY P.L.221-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2.5. (a) The assessment, planning, replanning, remediation, development, and redevelopment of economic development areas:

(1) are public and governmental functions that cannot be accomplished through the ordinary operations of private enterprise because of:

(A) the necessity for requiring the proper use of the land so as to best serve the interests of the county and its citizens; and

(B) the costs of these projects;

(2) will:

(A) benefit the public health, safety, morals, and welfare;

(B) increase the economic well-being of the unit and the state; and

(C) serve to protect and increase property values in the unit and the state; and

(3) are public uses and purposes for which public money may be spent and private property may be acquired.

(b) This section and sections 41 and 43 of this chapter shall be liberally construed to carry out the purposes of this section.

(c) Except as provided in subsection (d), a redevelopment commission may not enter into any obligation payable from public funds without first obtaining the approval, by ordinance or resolution, of the legislative body of the unit.

(d) A redevelopment commission is not required to obtain the approval of the legislative body of the unit under this section if:

(1) the obligation is for the acquisition of real property under this chapter; and

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(2) the agreement to acquire the real property requires the redevelopment commission to either:

(A) make payments for the real property to be acquired for a term of less than three (3) years; or

(B) purchase the real property for a cost of less than five million dollars ($5,000,000).

A redevelopment commission may not enter into an obligation payable from public funds, other than an obligation described in this subsection, unless the redevelopment commission first obtains the approval of the legislative body of the unit as provided in subsection (c).

(e) The approving ordinance or resolution of a legislative body must include the following:

(1) The maximum amount of the obligation.

(2) The maximum interest rate or rates, any provisions for redemption prior to maturity, and any provisions for the payment of capitalized interest associated with the obligation.

(3) The maximum term of the obligation.

SECTION 31. IC 36-7-14-3, AS AMENDED BY P.L.190-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of five (5) members to be known as "_____ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of seven (7) members.

(b) A redevelopment commission and a department of redevelopment are subject to the oversight of the legislative body of the unit, including review by the legislative body of annual budgets. A redevelopment commission is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3 and a municipality for purposes of IC 5-11-1.

~~(b)~~ **(c)** Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

~~(c)~~ **(d)** All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

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SECTION 32. IC 36-7-14-8, AS AMENDED BY P.L.190-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. (a) The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty (30) days after they are appointed and, after that, each year on the first day in January that is not a Saturday, a Sunday, or a legal holiday. They shall choose one (1) of their members as president, another as vice president, and another as secretary. These officers shall perform the duties usually pertaining to their offices and shall serve from the date of their election until their successors are elected and qualified.

(b) The redevelopment commission may appoint a treasurer who need not be a member of the redevelopment commission. The redevelopment commission may provide for the payment of compensation to a treasurer who is not a member of the redevelopment commission. Notwithstanding any other provision of this chapter, the treasurer has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission in accordance with the requirements of this chapter. However, the treasurer may not perform any duties of the fiscal officer or any other officer of the unit that are prescribed by section 24 of this chapter or by any provisions of this chapter that pertain to the issuance and sale of bonds, notes, or warrants of the special taxing district. **The treasurer shall report quarterly to the fiscal officer of the unit.**

(c) The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property placed in their custody by this chapter. In addition to the annual meeting, the commissioners may, by resolution or in accordance with their rules and bylaws, prescribe the date and manner of notice of other regular or special meetings.

(d) This subsection does not apply to a county redevelopment commission that consists of seven (7) members. Three (3) of the redevelopment commissioners constitute a quorum, and the concurrence of three (3) commissioners is necessary to authorize any action.

(e) This subsection applies only to a county redevelopment commission that consists of seven (7) members. Four (4) of the redevelopment commissioners constitute a quorum, and the concurrence of four (4) commissioners is necessary to authorize any action.

SECTION 33. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,

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SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12.2. (a) The redevelopment commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired for redevelopment purposes.

(8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(9) Survey or examine any land to determine whether it should be included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.

(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

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(A) real property acquired or being acquired for redevelopment purposes; or

(B) any area needing redevelopment within the jurisdiction of the commissioners.

(11) Institute or defend in the name of the unit any civil action.

(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.

(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.

(14) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(15) Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(16) Prescribe the duties and regulate the compensation of employees of the department of redevelopment.

(17) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(18) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (15).

(19) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(20) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(21) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(22) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(23) Contract for the construction, extension, or improvement of pedestrian skyways.

(24) Accept loans, grants, and other forms of financial assistance

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from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(25) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(26) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (25); or

(B) construct, rehabilitate, or repair commercial property within the district.

(27) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(b) Conditions imposed by the commission under subsection (a)(27) remain in force throughout the period determined under subsection (a)(27)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5. **However, if a power pertains to issuing bonds or incurring an obligation, the exercise of the power must first be specifically approved by the legislative body of the unit.**

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SECTION 34. IC 36-7-14-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Within thirty (30) days after the close of each calendar year, the redevelopment commissioners shall file with the unit's executive a report setting out their activities during the preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained.

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

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

SECTION 35. IC 36-7-14-19, AS AMENDED BY P.L.185-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 19. (a) If no appeal is taken or if an appeal is taken but is unsuccessful, the redevelopment commission shall proceed with the proposed project to the extent that money is available for that purpose.

(b) The redevelopment commission shall first approve and adopt a list of the real property and interests in real property to be acquired and the price to be offered to the owner of each parcel of interest. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars ($10,000), the second appraisal may be made by a qualified employee of the department of redevelopment. The prices indicated on the list may not be exceeded unless specifically authorized by the commission or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if the commission finds that such an acquisition is not necessary under

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the redevelopment plan. Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the redevelopment commission, by its employees, or by expert negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the title of the property. Payment for the property purchased shall be made when and as directed by the commission but only on delivery of proper instruments conveying the title or interest of the owner to the "City (Town or County) of _____ for the use and benefit of its department of redevelopment". **Notwithstanding the other provisions of this subsection, any agreement by the commission to:**

(1) make payments for the property to be purchased over a term exceeding three (3) years; or

(2) pay a purchase price for the property that exceeds five million dollars ($5,000,000);

is subject to the approval of the legislative body of the unit.

(d) All real property and interests in real property acquired by the redevelopment commission are free and clear of all liens, assessments, and other governmental charges except for current property taxes, which shall be prorated to the date of acquisition.

(e) Notwithstanding subsections (a) through (d), the redevelopment commission may, before the time referred to in this section, accept gifts of property needed for the redevelopment of redevelopment project areas if the property is free and clear of all liens other than taxes, assessments, and other governmental charges. The commission may, before the time referred to in this section, take options on or contract for the acquisition of property needed for the redevelopment of redevelopment project areas if the options and contracts are not binding on the commission or the district until the time referred to in this section and until money is available to pay the consideration set out in the options or contracts.

SECTION 36. IC 36-7-14-22.5, AS ADDED BY P.L.169-2006, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22.5. (a) This section applies to the following:

(1) Real property:

(A) that was acquired by the commission to carry out a redevelopment project, an economic development area project,

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or an urban renewal project; and

(B) relative to which the commission has, at a public hearing, decided that the real property is not needed to complete the redevelopment activity, an economic development activity, or urban renewal activity in the project area.

(2) Real property acquired under this chapter that is not in a redevelopment project area, economic development area, or an urban renewal project area.

(3) Parcels of property secured from the county under IC 6-1.1-25-9(e) that were acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(4) Real property donated or transferred to the commission to be held and disposed of under this section.

However, this section does not apply to property acquired under section 32.5 of this chapter.

(b) The commission may do the following to or for real property described in subsection (a):

(1) Examine, classify, manage, protect, insure, and maintain the property.

(2) Eliminate deficiencies (including environmental deficiencies), carry out repairs, remove structures, and make improvements.

(3) Control the use of the property.

(4) Lease the property.

(5) Use any powers under section 12.2 of this chapter in relation to the property.

(c) The commission may enter into contracts to carry out part or all of the functions described in subsection (b).

(d) The commission may extinguish all delinquent taxes, special assessments, and penalties relative to real property donated to the commission to be held and disposed of under this section. The commission shall provide the county auditor with a list of the real property on which delinquent taxes, special assessments, and penalties are extinguished under this subsection.

(e) **Subject to the prior approval by the legislative body of the unit,** real property described in subsection (a) may be sold, exchanged, transferred, granted, donated, or otherwise disposed of in any of the following ways:

(1) In accordance with section 22, 22.2, 22.6, or 22.7 of this chapter.

(2) In accordance with the provisions authorizing an urban homesteading program under IC 36-7-17.

The commission shall provide to the legislative body at the public

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meeting all the information supporting the action the commission proposes to take under this subsection, including any terms and conditions the commission would have to agree to in order to carry out the action.

(f) In disposing of real property under subsection (e), the commission may:

(1) group together properties for disposition in a manner that will best serve the interest of the community, from the standpoint of both human and economic welfare; and

(2) group together nearby or similar properties to facilitate convenient disposition.

SECTION 37. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008, SECTION 732, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by **bond** resolution and subject to ~~subsection~~ **subsections (c) and** (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

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

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

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

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

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

(c) **The legislative body of the unit must adopt a resolution that includes the maximum principal amount, term, any provision for**

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redemption prior to maturity, maximum interest rate or rates, any provisions for the payment of capitalized interest, public purpose of the bond, and the use of its proceeds. The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The municipal or county fiscal officer shall give notice of the sale of the bonds by publication in accordance with IC 5-3-1. The municipal fiscal officer, or county fiscal officer or executive, shall sell the bonds to the highest bidder, but may not sell them for less than ninety-seven percent (97%) of their par value. However, bonds payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter, or other revenues of the district may be sold at a private

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negotiated sale.

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

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

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

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

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

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

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in ~~any amount without limitation.~~ **the amount approved by the legislative body in the resolution described in subsection (c).**

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

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

(l) All laws relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable

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solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission adopted before July 1, 2008, is equal to or greater than three million dollars ($3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. Bonds authorized in any principal amount by a resolution of the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the legislative body of the unit.

SECTION 38. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008, SECTION 733, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 25.2. (a) **Subject to the prior**

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approval of the legislative body of the unit, a redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

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

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

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

(1) The maximum annual lease rental for the lease.

(2) The maximum interest rate or rates, any provisions for redemption prior to maturity, and any provisions for the payment of capitalized interest associated with the lease.

(3) The maximum term of the lease.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the lease by the unit's fiscal body, the redevelopment commission shall publish notice of the execution of the lease and its approval in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the redevelopment district who will be affected by the lease and who may be of the opinion that no necessity exists for the execution of the lease

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or that the payments provided for in the lease are not fair and reasonable may file a petition in the office of the county auditor within thirty (30) days after the publication of the notice of execution and approval. The petition must set forth the petitioners' names, addresses, and objections to the lease and the facts showing that the execution of the lease is unnecessary or unwise or that the payments provided for in the lease are not fair and reasonable, as the case may be.

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

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

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

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

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

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

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local government finance, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the department.

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

SECTION 39. IC 36-7-14-27, AS AMENDED BY P.L.146-2008, SECTION 734, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 27. (a) This section applies only to:

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

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

which are payable from a special tax levied upon all of the property in the special taxing district. This section does not apply to bonds or leases that are payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(b) The redevelopment commission, **with the approval of the legislative body,** shall levy each year a special tax on all of the property of the redevelopment taxing district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under section 25.2 of this chapter. The commission shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the redevelopment district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced. The amount of the tax levied to pay bonds or lease rentals payable from the tax levied under this section shall be reduced by any amount available in the allocation fund established under section 39(b)(2) of this chapter or other revenues of the redevelopment commission to the extent such revenues have been set aside in the redevelopment bond fund.

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

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

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

SECTION 40. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008, SECTION 735, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 27.5. (a) **Subject to the prior approval by the legislative body of the unit,** the redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the department of local government finance, or as determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the

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commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment or, if appealed, by the department of local government finance, unless the issuance of the warrants has been approved by the department.

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

(1) the date of the warrants;
(2) the interest rate of the warrants;
(3) the time of interest payments on the warrants;
(4) the denomination of the warrants;
(5) the form either registered or payable to bearer, of the warrants;
(6) the place or places of payment of the warrants, either inside or outside the state;
(7) the medium of payment of the warrants;
(8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;
(9) the manner of execution of the warrants; and
(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 41. IC 36-7-14-39, AS AMENDED BY P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2011]: 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 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).

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or 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

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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 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.

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(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.

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

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

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

(i) in the allocation area; and

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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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) Obtain the approval of the legislative body of the unit if the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan as adopted under this chapter. The legislative body of the unit may modify the commission's determination with respect to the amount of excess assessed value that is in excess of two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan.

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

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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 zone. The unit that creates the special zone fund shall use the fund

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(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

(B) specifically designates a particular date as the final

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allocation deadline.

SECTION 42. IC 36-7-14-43, AS AMENDED BY P.L.146-2008, SECTION 740, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 43. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area. **A right, power, privilege, or immunity that pertains to issuing bonds or incurring an obligation may not be exercised by a redevelopment commission unless it is first specifically authorized by the legislative body, regardless of any other law.**

(2) Real property (or interests in real property) relative to which action is taken in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 27 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas if no other revenue sources are available for this purpose.

(5) The tax exemptions set forth in section 37 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 20 of this chapter to carry out activities under this chapter in an economic development area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 43. IC 36-7-14.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) A _____ Redevelopment Authority (the blank to be filled in with a name designated by the legislative body of the unit) may be created in the unit as a separate body corporate and politic and as an instrumentality of the unit to exercise any power granted to the authority under this

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chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

(c) An authority is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3 and a municipality for purposes of IC 5-11-1.

SECTION 44. IC 36-7-14.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an assistant secretary-treasurer. **The secretary-treasurer shall report quarterly to the fiscal officer of the unit that established the redevelopment authority.**

(b) Special meetings may be called by the president of the board or any two (2) members of the board.

(c) A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action.

SECTION 45. IC 36-7-14.5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Bonds issued under IC 36-7-14 may be refunded as provided in this section.

(b) **Subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.2,** the commission may:

(1) lease all or a portion of a local public improvement or improvements to the authority, which may be at a nominal lease rental with a lease back to the commission, conditioned upon the authority assuming bonds issued under IC 36-7-14 and issuing its bonds to refund those bonds; and

(2) sell all or a portion of a local public improvement or improvements to the authority for a price sufficient to provide for the refunding of those bonds and lease back the local public improvement or improvements from the authority.

SECTION 46. IC 36-7-14.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) Before a lease may be entered into, the commission must:

(1) find that the lease rental provided for is fair and reasonable; **and**

(2) obtain the prior approval of the legislative body of the unit under IC 36-7-14-25.2.

(b) A lease of local public improvements from the authority to the

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commission:

(1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;

(2) may not require payment of lease rental for a newly constructed local public improvement or for improvements to an existing local public improvement except to the extent that the local public improvement or improvements thereto have been completed and are ready for occupancy or use;

(3) may contain provisions:

(A) allowing the commission to continue to operate an existing local public improvement until completion of the improvements, reconstruction, or renovation; and

(B) requiring payment of lease rentals for an existing local public improvement being used, reconstructed, or renovated;

(4) may contain an option to renew the lease for the same or shorter term on the conditions provided in the lease;

(5) must contain an option for the commission to purchase the local public improvement upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the local public improvement, including indebtedness incurred for the refunding of that indebtedness;

(6) may be entered into before acquisition or construction of a local public improvement;

(7) may provide that the commission shall agree to:

(A) pay all taxes and assessments thereon;

(B) maintain insurance thereon for the benefit of the authority; and

(C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and

(8) may provide that the lease rental payments by the commission shall be made from any one (1) or more of the sources set forth in IC 36-7-14-25.2 or IC 36-7-30-20.

SECTION 47. IC 36-7-14.5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 18. (a) The commission may lease for a nominal lease rental, or sell to the authority, one (1) or more local public improvements or portions thereof or land upon which a local public improvement is located or is to be constructed.

(b) Any lease of all or a portion of a local public improvement by the commission to the authority must be for a term equal to the term of the lease of that local public improvement back to the redevelopment commission.

(c) **Subject to the prior approval of the legislative body of the**

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unit under IC 36-7-14-25.2, the commission may sell property to the authority for such amount as it determines to be in the best interest of the commission, which amount may be paid from the proceeds of bonds of the authority.

SECTION 48. IC 36-7-14.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 19. (a) **Subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.2,** the authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-14.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within fifty (50) years.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the local public improvements and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements that are necessary or desirable to make the local public improvements suitable for use and operations;

(4) architectural, engineering, consultant, and attorney fees;

(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;

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(8) financial advisory fees;
(9) insurance during construction;
(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

SECTION 49. IC 36-7-14.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 21. (a) The authority may secure bonds issued under this chapter by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank within Indiana that has trust powers.

(b) **Subject to the prior approval of the legislative body under IC 36-7-14-25.2,** the trust indenture may:
(1) pledge or assign lease rentals, receipts, and income from leased local public improvements, but may not mortgage land or local public improvements;
(2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the authority and board;
(3) set forth the rights and remedies of bondholders and trustee; and
(4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the authority under this section **and approved by the legislative body of the unit** is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien or not. Any trust indenture by which a pledge is created or an assignment need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

SECTION 50. IC 36-7-14.5-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22. If the commission exercises its option to purchase leased property, it may, **subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.1,** issue its bonds as authorized by statute.

SECTION 51. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) The controller of the consolidated city is the fiscal officer of a commission subject to this chapter.**

(b) The controller may obtain financial services on a contractual basis for the purposes of carrying out the powers and duties of the

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commission and protecting the public interests related to the operations and funding of the commission. The controller has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the authority in accordance with the requirements of state law that apply to other funds and accounts administered by the controller.

SECTION 52. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) If no appeal is taken, or if an appeal is taken but is unsuccessful, the commission shall proceed with the proposed project, to the extent that money is available for that purpose.

(b) The commission shall first approve and adopt a list of the real property and interests in real property to be acquired, and the price to be offered to the owner of each parcel or interests. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission, except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars ($10,000), the second appraisal may be made by a qualified employee of the department. The prices indicated on the list may not be exceeded unless specifically authorized by the commission under section 7 of this chapter or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if it finds that such an acquisition is not necessary under the redevelopment plan. Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the commission, by its employees, or by expert negotiators employed for that purpose. The commission shall adopt a standard form of option for use in negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option, and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the title of the property. Payment for the property purchased shall be made when and as directed by the commission, but only on delivery of proper instruments conveying the title or interest of the owner to "City of _____ for the use and benefit of its Department of Metropolitan Development". **Notwithstanding the other provisions of this**

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subsection, any agreement by the commission to make payments for the property purchased over a term exceeding five (5) years is subject to the approval of the legislative body of the unit.

(d) Notwithstanding subsections (a) through (c), the commission may, before the time referred to in this section, accept gifts of property needed for the redevelopment of redevelopment project areas. The commission may, before the time referred to in this section, take options on or contract for the acquisition of property needed for the redevelopment of redevelopment project areas if the options and contracts are not binding on the commission or the redevelopment district until the time referred to in this section and until money is available to pay the consideration set out in the options or contracts.

(e) Section 15(a) through 15(h) of this chapter does not apply to exchanges of real property (or interests in real property) in connection with the acquisition of real property (or interests in real property) under this section. In acquiring real property (or interests in real property) under this section the commission may, as an alternative to offering payment of money as specified in subsection (b), offer for the real property (or interest in real property) that the commission desires to acquire:

(1) exchange of real property or interests in real property owned by the redevelopment district;

(2) exchange of real property or interests in real property owned by the redevelopment district, along with the payment of money by the commission; or

(3) exchange of real property or interests in real property owned by the redevelopment district along with the payment of money by the owner of the real property or interests in real property that the commission desires to acquire.

The commission shall have the fair market value of the real property or interests in real property owned by the redevelopment district appraised as specified in section 15(b) of this chapter. The appraisers may not also appraise the value of the real property or interests in real property to be acquired by the redevelopment district. The commission shall establish the nature of the offer to the owner based on the difference between the average of the two (2) appraisals of the fair market value of the real property or interests in real property to be acquired by the commission and the average of the appraisals of fair market value of the real property or interests in real property to be exchanged by the commission.

SECTION 53. IC 36-7-15.1-26, AS AMENDED BY P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 26. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

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(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 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

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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 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 17.1 of this chapter.

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

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

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

(i) in the allocation area; and

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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(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) Obtain the approval of the legislative body of the unit if the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan as adopted under this chapter. The legislative body of the unit may modify the commission's determination with respect to the amount of excess assessed value that is in excess of two hundred percent

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(200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan.

(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 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

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property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

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

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

(A) Businesses operating in the enterprise zone.

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

(3) To provide funds to carry out other purposes specified in subsection (b)(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:

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(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 54. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) IC 6-1.1-10-24, as amended by this act, applies to IC 6-1.1-11-4, as amended by this act, as if both provisions had been in effect on January 1, 2008.**

(b) This SECTION expires January 1, 2013.

SECTION 55. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) With respect to an assessment date (as defined in IC 6-1.1-1-2) occurring after December 31, 2009, and before January 1, 2013, the definition of "fraternity or sorority" set forth in IC 6-1.1-10-24, as amended by this act, includes a limited liability company whose members are predominantly fraternities, sororities, or foundations related to fraternities or sororities.**

(b) With respect to the March 1, 2010, assessment date, the exemption allowed by IC 6-1.1-10-24, as amended by this act, applies to tangible property acquired for future use by a fraternity or sorority for a use set forth in IC 6-1.1-10-24(b)(2), as amended by this act.

(c) This SECTION expires January 1, 2013.

SECTION 56. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer, notwithstanding IC 6-1.1-3, IC 6-1.1-11, IC 6-1.1-17, IC 6-1.1-37, 50 IAC 4.2, 50 IAC 16, or any other statute or administrative rule.**

(b) This section applies to an assessment date (as defined in IC 6-1.1-1-2) occurring after December 31, 2005, and before January 1, 2010.

(c) As used in this SECTION, "taxpayer" refers to an Indiana nonprofit corporation that owns real and personal property used as part of or in connection with a men's cooperative house.

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(d) A taxpayer, after February 13, 2011, but before February 26, 2011, may file or refile in person or in any other manner consistent with IC 6-1.1-36-1.5:

(1) a Form 136 property tax exemption application, along with any supporting documents, schedules, or attachments, claiming an exemption from real property taxes or personal property taxes, or both under IC 6-1.1-10-16 or IC 6-1.1-10-24, as amended by this act, for any assessment date described in subsection (b); and

(2) a personal property tax return, along with any supporting documents, schedules, or attachments, relating to any personal property under IC 6-1.1-10-16 or IC 6-1.1-10-24, as amended by this act, for any assessment date for which an exemption is claimed on a Form 136 property tax exemption application that is filed under this subsection.

(e) Any property tax exemption application or personal property tax return filed or refiled under subsection (d):

(1) is, subject to this SECTION, allowed; and

(2) is considered to have been timely filed.

(f) If the taxpayer demonstrates in the application or by other means that the property that is subject to the exemption would have qualified for an exemption under IC 6-1.1-10-16 as owned, occupied, and used for an educational, religious, or charitable purpose or under IC 6-1.1-10-24, as amended by this act, if the application had been filed under IC 6-1.1-11 in a timely manner:

(1) the taxpayer is entitled to the exemptions from real property taxes or personal property taxes, or both, as claimed on the property tax exemption applications filed or refiled by the taxpayer under subsection (d); and

(2) the taxpayer is not required to pay any property taxes, penalties, or interest with respect to the exempt property.

(g) For its property to be exempt under this SECTION, the taxpayer must have received for an assessment date preceding or following any assessment date described in subsection (b) an exemption or partial exemption from property taxes for property identified by the same parcel or key numbers or the same parcel and key numbers included on the property tax exemption applications filed or refiled by the taxpayer under subsection (d).

(h) This SECTION expires January 1, 2013.

SECTION 57. [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer notwithstanding IC 6-1.1-11 or any other law or administrative**

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rule or provision.

(b) This SECTION applies to the March 1, 2010, and March 1, 2011, assessment dates.

(c) As used in this SECTION, "taxpayer" refers to a corporation that:

(1) is a medical society with members who are predominantly physicians residing or practicing in the county or municipality where the property described in subsection (d) is located or an adjacent county;

(2) is exempt from federal income taxes under Section 501 of the Internal Revenue Code; and

(3) filed a timely exemption application from property taxation for eligible property described in subsection (d) for the March 1, 2010, assessment date.

(d) As used in this SECTION, "eligible property" means real and personal property owned by the taxpayer that:

(1) was granted a full or partial exemption from property taxation for the March 1, 2008, and March 1, 2009, assessment dates, regardless of the parcel or key numbers used to identify the property; and

(2) is occupied and predominantly used by the taxpayer or a nonprofit foundation affiliated with the taxpayer for the nonprofit purposes of the taxpayer or a nonprofit foundation affiliated with the taxpayer on an assessment date subject to this SECTION.

The term does not include areas or parts of property that are leased to a for-profit entity.

(e) A property tax exemption application referred to in subsection (c)(3) is allowed, regardless of the parcel or key numbers used to identify the property. The eligible property is considered tangible property owned, occupied, and used for the educational, scientific, or charitable purposes described in IC 6-1.1-10-16. Taxpayer's property tax exemption application referred to in subsection (c)(3) is considered to have been filed properly for an educational, scientific, or charitable use under IC 6-1.1-10-16. The property tax exemptions allowed by this SECTION shall be applied regardless of whether the taxpayer's exemption application referred to in subsection (c)(3) was granted or denied and regardless of whether or how any denials of the requested exemptions were appealed or otherwise challenged by the taxpayer.

(f) A taxpayer is entitled to a one hundred percent (100%)

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exemption under IC 6-1.1-10-16 from property taxation for the taxpayer's eligible property and is not required to pay property taxes, penalties, or interest with respect to the eligible property for the assessment dates described in subsection (b).

(g) The auditor of the county in which the property is located shall apply the exemption allowed by this SECTION based upon the taxpayer's exemption application referred to in subsection (c)(3) and any additional documents or materials provided by the taxpayer. The exemption allowed by this SECTION shall be applied without need of any further ruling or action by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review. Any actions by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review that are contrary to or inconsistent with the intent of this SECTION are invalid, null, and void.

(h) This SECTION expires December 31, 2012.

SECTION 58. [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 in 2010 or 2011.

(c) As used in this SECTION, "taxpayer" refers to an Indiana nonprofit corporation that:

(1) owns real property used as part of or in connection with a church, worship services, and other religious, educational, charitable, civic, or cultural activities;

(2) as of the assessment dates referred to in subsection (b), leases or rents part of the real property to another Indiana nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and classified as other than a private foundation under Section 509(a)(3) of the Internal Revenue Code, and the leased or rented property is used as a center for the arts, including using the leased or rented property for exhibit space, gallery events, and subleasing to artists and art support groups; and

(3) filed on or by May 17, 2010, an exemption application from property taxation for eligible property described in subsection (d) for the March 1, 2010, assessment date.

(d) As used in this SECTION, "eligible property" means real

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property owned by the taxpayer:

(1) that was granted a full or partial exemption from property taxation for an assessment date prior to the assessment dates referred to in subsection (b); and

(2) for which a one hundred percent (100%) real property tax exemption for the March 1, 2010, assessment date was denied.

(e) A property tax exemption application referred to in subsection (c)(3):

(1) is, subject to this SECTION, allowed; and

(2) is considered to have been timely and properly filed for a religious, educational, or charitable use under IC 6-1.1-10-16.

The eligible property is considered tangible property owned, occupied, and used for the religious, educational, or charitable purposes described in IC 6-1.1-10-16. The property tax exemption allowed by this SECTION shall be applied regardless of whether the taxpayer's exemption application referred to in subsection (c)(3) was granted or denied in whole or in part and regardless of whether or how any denials of the requested exemption were appealed or otherwise challenged by the taxpayer.

(f) A taxpayer is entitled to a one hundred percent (100%) exemption under IC 6-1.1-10-16 from property taxation for the taxpayer's eligible property and is not required to pay property taxes, penalties, or interest with respect to the eligible property for the assessment dates referred to in subsection (b). The exemption allowed by this SECTION shall be applied without the need for any further ruling or action by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review. Any actions by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review that are contrary to or inconsistent with the intent of this SECTION is invalid, null, and void.

(g) This SECTION expires December 31, 2012.

SECTION 59. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the county property tax assessment board of appeals.**

(b) This SECTION applies to an organization that:

(1) is located in a county containing a consolidated city;

(2) is dedicated to providing services to the community, including direct aid, nutrition assistance, job training and counseling, and safe, high-quality after-school activities;

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(3) is not eligible for a property tax exemption under IC 6-1.1-10-16 and IC 6-1.1-10-24 for certain parcels of property for property taxes first due and payable in 2009, 2010, and 2011 because the entity failed to timely file an application under IC 6-1.1-11-3.5; and

(4) filed an application under IC 6-1.1-11 for exemption from property taxes first due and payable in 2007 on the same parcels of property, which exemption was approved by the board.

(c) An organization described in subsection (b) is entitled to an exemption from property taxes on the organizations's property for property taxes first due and payable in 2009, 2010, and 2011 in the same percentage approved by the board with respect to the organization's exemption application described in subsection (b)(4).

(d) The county shall return to the organization the title of any parcels of the organization's property that have been included in a tax sale under IC 6-1.1 and that are entitled to an exemption under subsection (c).

(e) This SECTION expires January 1, 2013.

SECTION 60. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall, during the 2011 legislative interim, study issues concerning standards for determining when a cooperative housing corporation is eligible for a property tax standard deduction or a property tax circuit breaker credit.**

(b) Before November 1, 2011, the commission on state tax and financing policy shall report its findings and any recommendations concerning the study topic described in subsection (a) in a final report to the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires January 1, 2012.

SECTION 61. [EFFECTIVE UPON PASSAGE] **(a) IC 36-7-14, as amended by this act, applies to an obligation entered into or incurred by a redevelopment commission after June 30, 2011.**

(b) IC 36-7-14-25.1, as amended by this act, applies to bonds for which a bond resolution is adopted after June 30, 2011.

(c) IC 36-7-14-25.2, as amended by this act, applies to a lease for which a public hearing is held under IC 36-7-14-25.2(c) after June 30, 2011.

(d) IC 36-7-14-27, as amended by this act, applies to warrants issued after June 30, 2011.

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1 **(e) This SECTION expires July 1, 2012.**
2 SECTION 62. **An emergency is declared for this act.**

C o p y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred House Bill 1244, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 13, strike "within".

Page 2, line 14, strike "one (1)" and insert "**not later than the last business day before July 1 of the**".

Page 2, line 14, after "year" strike "of" and insert "**after**".

Page 2, line 16, delete "(c)," and insert "(c):

(1) the arrangement is void; and

(2)".

Page 2, strike lines 19 through 28, begin a new paragraph and insert:

"**(f) If the county auditor acts under subsection (e) with respect to a tract or item subject to an arrangement described in subsection (c), the taxpayer may not enter into another arrangement under subsection (c) with respect to that tract or item after the due date of the payment referred to in subsection (d) and before the date that succeeds by five (5) years the date on which the original arrangement would have expired if the arrangement had not become void under subsection (e).**".

Page 2, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-25-2, AS AMENDED BY P.L.89-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The total amount of money required for the redemption of real property equals:

(1) the sum of the amounts prescribed in subsections (b) through ~~(e),~~ **(f);** or

(2) the amount prescribed in subsection ~~(f),~~ **(g);**

reduced by any amounts held in the name of the taxpayer or the purchaser in the tax sale surplus fund.

(b) Except as provided in subsection ~~(f),~~ **(g),** the total amount required for redemption includes:

(1) one hundred ten percent (110%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed not more than six (6) months after the date of sale; or

(2) one hundred fifteen percent (115%) of the minimum bid for which the tract or real property was offered at the time of sale, as required by IC 6-1.1-24-5, if the tract or item of real property is redeemed more than six (6) months but not more than one (1) year after the date of sale.

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(c) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amount required under subsection (b), the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid on the property.

(d) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amount required under subsections (b) and (c), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser after the sale plus ten percent (10%) interest per annum on those taxes and special assessments.

(e) Except as provided in subsection ~~(f),~~ **(g),** in addition to the amounts required under subsections (b), (c), and (d), the total amount required for redemption includes the following costs, if certified before redemption and not earlier than thirty (30) days after the date of sale of the property being redeemed by the payor to the county auditor on a form prescribed by the state board of accounts, that were incurred and paid by the purchaser, the purchaser's assignee, or the county, before redemption:

(1) The attorney's fees and costs of giving notice under section 4.5 of this chapter.

(2) The costs of a title search or of examining and updating the abstract of title for the tract or item of real property.

(f) The total amount required for redemption includes, in addition to the amounts required under subsections (b) and (e), all taxes, special assessments, penalties, and fees on the property that accrued after the sale.

~~(f)~~ **(g)** With respect to a tract or item of real property redeemed under section 4(c) of this chapter, instead of the amounts stated in subsections (b) through ~~(e),~~ **(f),** the total amount required for redemption is the amount determined under IC 6-1.1-24-6.1(b)(4).

SECTION 3. IC 6-1.1-25-4, AS AMENDED BY P.L.73-2010, SECTION 6, AND AS AMENDED BY P.L.98-2010, SECTION 3, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The period for redemption of real property sold under IC 6-1.1-24 is:

(1) one (1) year after the date of sale;

(2) one hundred twenty (120) days after the date of sale to a purchasing agency qualified under IC 36-7-17; or

(3) one hundred twenty (120) days after the date of sale of real property on the list prepared under IC 6-1.1-24-1(a)(2) or IC 6-1.1-24-1.5.

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(b) *Subject to* **subsection (l) and** *IC 6-1.1-24-9(d),* the period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is not sold under IC 6-1.1-24-6.1;

is one hundred twenty (120) days after the date the county executive acquires the lien under IC 6-1.1-24-6.

(c) The period for redemption of real property:

(1) on which the county executive acquires a lien under IC 6-1.1-24-6; and

(2) for which the certificate of sale is sold under IC 6-1.1-24;

is one hundred twenty (120) days after the date of sale of the certificate of sale under IC 6-1.1-24.

(d) When a deed for real property is executed under this chapter, the county auditor shall cancel the certificate of sale and file the canceled certificate in the office of the county auditor. If real property that appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale and an amount that is at least equal to the minimum sale price required under IC 6-1.1-24-5(e) is not received, the county auditor shall issue a deed to the real property, subject to this chapter.

(e) When a deed is issued to a county executive under this chapter, the taxes and special assessments for which the real property was offered for sale, and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner that taxes are removed by certificate of error.

(f) A tax deed executed under this chapter vests in the grantee an estate in fee simple absolute, free and clear of all liens and encumbrances created or suffered before or after the tax sale except those liens granted priority under federal law and the lien of the state or a political subdivision for taxes and special assessments which accrue subsequent to the sale and which are not removed under subsection (e). However, *subject to subsection (g),* the estate is subject to:

(1) all easements, covenants, declarations, and other deed restrictions shown by public records;

(2) laws, ordinances, and regulations concerning governmental police powers, including zoning, building, land use, improvements on the land, land division, and environmental protection; and

(3) liens and encumbrances created or suffered by the grantee.

(g) A tax deed executed under this chapter for real property sold in

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a tax sale:

(1) does not operate to extinguish an easement recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located, regardless of whether the easement was taxed under this article separately from the real property; and

(2) conveys title subject to all easements recorded before the date of the tax sale in the office of the recorder of the county in which the real property is located.

~~(g)~~ *(h)* A tax deed executed under this chapter is prima facie evidence of:

(1) the regularity of the sale of the real property described in the deed;

(2) the regularity of all proper proceedings; and

(3) valid title in fee simple in the grantee of the deed.

~~(h)~~ *(i)* A county auditor is not required to execute a deed to the county executive under this chapter if the county executive determines that the property involved contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property. The county executive may enter the property to conduct environmental investigations.

~~(i)~~ *(j)* If the county executive makes the determination under subsection ~~(h)~~ *(i)* as to any interest in an oil or gas lease or separate mineral rights, the county treasurer shall certify all delinquent taxes, interest, penalties, and costs assessed under IC 6-1.1-24 to the clerk, following the procedures in IC 6-1.1-23-9. After the date of the county treasurer's certification, the certified amount is subject to collection as delinquent personal property taxes under IC 6-1.1-23. Notwithstanding IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an interest shall be zero (0) until production commences.

~~(j)~~ *(k)* When a deed is issued to a purchaser of a certificate of sale sold under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that taxes are removed by certificate of error, remove from the tax duplicate the taxes, special assessments, interest, penalties, and costs remaining due as the difference between the amount of the last minimum bid under IC 6-1.1-24-5(e) and the amount paid for the certificate of sale.

(l) If the county treasurer and the owner of a homestead (as defined in IC 6-1.1-12-37(a)(2)) agree before the expiration of the period for redemption under subsection (b) to a mutually satisfactory arrangement for the payment of the amount required for redemption under section 2 of this chapter before the

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expiration of a period for redemption extended under this subsection:

(1) the county treasurer may extend the period for redemption; and

(2) except as provided in subsection (m), the extended period for redemption expires one (1) year after the date of the agreement.

(m) If the owner of a homestead fails to meet the terms of an agreement entered into with the county treasurer under subsection (l), the county treasurer may terminate the agreement after providing thirty (30) days written notice to the owner. If the county treasurer gives notice under this subsection, the extended period for redemption established under subsection (l) expires thirty (30) days after the date of the notice.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1244 as introduced.)

NEESE, Chair

Committee Vote: yeas 10, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1244, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 14.5. (a) "Qualified installment contract" means the following:**

(1) A contract for the purchase of real property that complies with each of the requirements in subsection (b).

(2) A contract for:

(A) the purchase of a mobile home not assessed as real property; or

(B) a manufactured home that is not assessed as real property;

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that complies with each of the requirements in subsection (c).

(b) A contract for the purchase of real property is a qualified installment contract if the contract complies with each of the following requirements:

(1) The contract or a memorandum of the contract is recorded in the county recorder's office of the county in which the real property is located.

(2) The contract requires the buyer to pay the property taxes on the real property.

(3) The contract specifies the total contract price.

(4) The contract requires the seller to issue a deed or other evidence of title to the buyer upon the buyer's payment of the total contract price.

(c) A contract for the purchase of a mobile home not assessed as real property or a manufactured home that is not assessed as real property is a qualified installment contract if the contract complies with each of the following requirements:

(1) The contract or a memorandum of the contract is recorded with the county recorder's office of the county in which the mobile home or manufactured home is located.

(2) The contract requires the buyer to pay the property taxes on the mobile home or manufactured home.

SECTION 2. IC 6-1.1-10-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 24. (a) Subject to the limitations contained in subsection (b) of this section, the following tangible property is exempt from property taxation if it is owned by a fraternity or sorority **that is exempt from federal income taxation under Section 501(c)(3) or Section 501(c)(7) of the Internal Revenue Code:**

(1) a tract of land; ~~not exceeding one (1) acre;~~

(2) the improvements situated on the tract of land; and

(3) all personal property.

(b) This exemption does not apply unless:

(1) the fraternity or sorority is connected with **or related to,** and under the supervision of, a college, university, or other educational institution; ~~and~~ **or**

(2) the property is used ~~exclusively~~ by the fraternity or sorority to carry out its purpose, **including as an international, national, state, or local headquarters or to support the administrative, executive, or other functions associated with the operation of a fraternity or sorority.**

(c) For purposes of this section, "fraternity or sorority"

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includes:

(1) a fraternity or sorority that is connected with or related to, and under the supervision of, a college, university, or other educational institution;

(2) an international, national, state, or local fraternity or sorority that administers, coordinates, operates, or governs fraternity or sorority chapters, units, divisions, or other groups or group members that are connected with or related to, and under the supervision of, a college, university, or other educational institution;

(3) a foundation related to a fraternity or sorority; or

(4) a housing corporation or similar entity related to a fraternity or sorority.

(d) To qualify for the exemption allowed by this section, the property may be owned, occupied, or used by more than one (1) fraternity or sorority, as long as the property is used to carry out the purposes of fraternities or sororities.

SECTION 3. IC 6-1.1-11-4, AS AMENDED BY P.L.182-2009(ss), SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4. (a) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the United States, the state, an agency of this state, or a political subdivision (as defined in IC 36-1-2-13). However, this subsection applies only when the property is used, and in the case of real property occupied, by the owner.

(b) The exemption application referred to in section 3 of this chapter is not required if the exempt property is a cemetery:

(1) described by IC 6-1.1-2-7; or

(2) maintained by a township executive under IC 23-14-68.

(c) The exemption application referred to in section 3 of this chapter is not required if the exempt property is owned by the bureau of motor vehicles commission established under IC 9-15-1.

(d) The exemption application referred to in section 3 or 3.5 of this chapter is not required if:

(1) the exempt property is:

(A) tangible property used for religious purposes described in IC 6-1.1-10-21;

(B) tangible property owned by a church or religious society used for educational purposes described in IC 6-1.1-10-16; ~~or~~

(C) other tangible property owned, occupied, and used by a person for educational, literary, scientific, religious, or charitable purposes described in IC 6-1.1-10-16; **or**

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(D) other tangible property owned by a fraternity or sorority (as defined in IC 6-1.1-10-24).

(2) the exemption application referred to in section 3 or 3.5 of this chapter was filed properly at least once for a religious use under IC 6-1.1-10-21, ~~or~~ an educational, literary, scientific, religious, or charitable use under IC 6-1.1-10-16, **or use by a fraternity or sorority under IC 6-1.1-10-24;** and

(3) the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24.**

A change in ownership of property does not terminate an exemption of the property if after the change in ownership the property continues to meet the requirements for an exemption under IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24.** However, if title to any of the real property subject to the exemption changes or any of the tangible property subject to the exemption is used for a nonexempt purpose after the date of the last properly filed exemption application, the person that obtained the exemption or the current owner of the property shall notify the county assessor for the county where the tangible property is located of the change in the year that the change occurs. The notice must be in the form prescribed by the department of local government finance. If the county assessor discovers that title to property granted an exemption described in IC 6-1.1-10-16, ~~or~~ IC 6-1.1-10-21, **or IC 6-1.1-10-24** has changed, the county assessor shall notify the persons entitled to a tax statement under IC 6-1.1-22-8.1 for the property of the change in title and indicate that the county auditor will suspend the exemption for the property until the persons provide the county assessor with an affidavit, signed under penalties of perjury, that identifies the new owners of the property and indicates that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, ~~or~~ IC 6-1.1-10-16, **or IC 6-1.1-10-24.** Upon receipt of the affidavit, the county assessor shall reinstate the exemption for the years for which the exemption was suspended and each year thereafter that the property continues to meet the requirements for an exemption under IC 6-1.1-10-21, ~~or~~ IC 6-1.1-10-16, **or IC 6-1.1-10-24.**

SECTION 4. IC 6-1.1-11-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.5. (a) This section applies to a taxpayer notwithstanding this chapter 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 in 2010 through 2016, and is referred to in

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this section as the "applicable assessment date".

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

(1) leases real property to the bureau of motor vehicles or the bureau of motor vehicles commission as of an applicable assessment date; and

(2) filed or refiled after January 15, 2010, and before January 25, 2010, 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 property leased to the bureau of motor vehicles or bureau of motor vehicles commission for an assessment date that is before 2010.

(d) If the real property identified in the Form 136 property tax exemption application referred to in subsection (c)(2) at any time received a full or partial exemption from real property taxes for an assessment date that is before an applicable assessment date, the taxpayer is entitled to an exemption from real property taxes for each applicable assessment date for all property leased to the bureau of motor vehicles or bureau of motor vehicles commission for that applicable assessment date. The taxpayer is not required to pay property taxes, penalties, or interest with respect to the exempt property.

(e) The exemption allowed by this section shall be applied by the auditor of the county in which the real property exempt under this section is located without the taxpayer having to annually file or refile an exemption application under section 3 of this chapter.

(f) The part of the real property that is exempt under this section shall be based on the square footage of the real property leased to the bureau of motor vehicles or bureau of motor vehicles commission. The county auditor may request from the taxpayer information that is reasonably necessary to demonstrate:

(1) that the real property is leased to the bureau of motor vehicles or bureau of motor vehicles commission as of a particular applicable assessment date; and

(2) the appropriate exemption percentage.

The auditor of the county in which the real property exempt under this section is located shall apply the same exemption percentage to both the land and improvements owned by the taxpayer.

(g) The county assessor or the property tax assessment board of appeals of the county in which the real property exempt under this

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section is located may not exercise any authority over the exemption and may not disapprove the exemption. The exemption allowed by this section applies regardless of whether the property tax assessment board of appeals of the county in which the property exempt under this section is located has previously denied the exemption for an applicable assessment date.

(h) This section expires January 1, 2018.

SECTION 5. IC 6-1.1-12-1, AS AMENDED BY P.L.81-2010, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. (a) Each year a person who is a resident of this state may receive a deduction from the assessed value of:

(1) mortgaged real property, an installment loan financed mobile home that is not assessed as real property, or an installment loan financed manufactured home that is not assessed as real property, with the mortgage or installment loan instrument recorded with the county recorder's office, that the person owns;

(2) real property, a mobile home that is not assessed as real property, or a manufactured home that is not assessed as real property that the person is buying under a **qualified installment** contract; ~~with the contract or a memorandum of the contract recorded in the county recorder's office, which provides that the person is to pay the property taxes on the real property, mobile home, or manufactured home,~~ or

(3) real property, a mobile home that is not assessed as real property, or a manufactured home that the person owns or is buying on a **qualified installment** contract ~~described in subdivision (2)~~ on which the person has a home equity line of credit that is recorded in the county recorder's office.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction which the person may receive under this section for a particular year is:

(1) the balance of the mortgage or contract indebtedness (including a home equity line of credit) on the assessment date of that year;

(2) one-half (1/2) of the assessed value of the real property, mobile home, or manufactured home; or

(3) three thousand dollars ($3,000);

whichever is least.

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~which provides that the contract buyer is to pay the property taxes on the real~~

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~~property, mobile home, or manufactured home~~ may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(d) The person must:

(1) own the real property, mobile home, or manufactured home; or

(2) be buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement is filed under section 2 of this chapter.

SECTION 6. IC 6-1.1-12-2, AS AMENDED BY P.L.81-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, for a person to qualify for the deduction provided by section 1 of this chapter a statement must be filed under subsection (b) or (c). Regardless of the manner in which a statement is filed, the mortgage, **qualified installment** contract, or memorandum (including a home equity line of credit) must be recorded with the county recorder's office to qualify for a deduction under section 1 of this chapter.

(b) Subject to subsection (c), to apply for the deduction under section 1 of this chapter with respect to real property, the person recording the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract with the county recorder may file a written statement with the county recorder containing the information described in subsection (e)(1), (e)(2), (e)(3), (e)(4), (e)(6), (e)(7), and (e)(8). The statement must be prepared on the form prescribed by the department of local government finance and be signed by the property owner or contract purchaser under the penalties of perjury. The form must have a place for the county recorder to insert the record number and page where the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract is recorded. Upon receipt of the form and the recording of the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract, the county recorder shall insert on the form the record number and page where the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract is recorded and forward the completed form to the county auditor. The county recorder may not impose a charge for the county recorder's duties under this subsection. The statement must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county recorder on or before January 5 of the immediately succeeding calendar year.

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(c) With respect to:

(1) real property as an alternative to a filing under subsection (b); or

(2) a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property;

to apply for a deduction under section 1 of this chapter, a person who desires to claim the deduction may file a statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property the statement must be completed and dated in the calendar year for which the person wishes to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded **qualified installment** contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property.

(d) Upon receipt of:

(1) the statement under subsection (b); or

(2) the statement under subsection (c) and the recorded **qualified installment** contract or recorded memorandum of the contract;

the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the **qualified installment** contract.

(e) The statement referred to in subsections (b) and (c) must be verified under penalties for perjury. The statement must contain the following information:

(1) The balance of the person's mortgage, home equity line of credit, or **qualified installment** contract indebtedness that is recorded in the county recorder's office on the assessment date of the year for which the deduction is claimed.

(2) The assessed value of the real property, mobile home, or manufactured home.

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(3) The full name and complete residence address of the person and of the mortgagee or contract seller.

(4) The name and residence of any assignee or bona fide owner or holder of the mortgage, home equity line of credit, or **qualified installment** contract, if known, and if not known, the person shall state that fact.

(5) The record number and page where the mortgage, **qualified installment** contract, or memorandum of the contract is recorded.

(6) A brief description of the real property, mobile home, or manufactured home which is encumbered by the mortgage or home equity line of credit or sold under the **qualified installment** contract.

(7) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in it.

(8) The name of any other county in which the person has applied for a deduction under this section and the amount of deduction claimed in that application.

(f) The authority for signing a deduction application filed under this section may not be delegated by the real property, mobile home, or manufactured home owner or contract buyer to any person except upon an executed power of attorney. The power of attorney may be contained in the recorded mortgage, **qualified installment** contract, or memorandum of the contract, or in a separate instrument.

(g) A closing agent (as defined in section 43(a)(2) of this chapter) is not liable for any damages claimed by the property owner or contract purchaser because of:

(1) the closing agent's failure to provide the written statement described in subsection (b);

(2) the closing agent's failure to file the written statement described in subsection (b);

(3) any omission or inaccuracy in the written statement described in subsection (b) that is filed with the county recorder by the closing agent; or

(4) any determination made with respect to a property owner's or contract purchaser's eligibility for the deduction under section 1 of this chapter.

(h) The county recorder may not refuse to record a mortgage, **qualified installment** contract, or memorandum because the written statement described in subsection (b):

(1) is not included with the mortgage, home equity line of credit, **qualified installment** contract, or memorandum of the contract;

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(2) does not contain the signatures required by subsection (b);

(3) does not contain the information described in subsection (e); or

(4) is otherwise incomplete or inaccurate.

(i) The form prescribed by the department of local government finance under subsection (b) and the instructions for the form must both include a statement:

(1) that explains that a person is not entitled to a deduction under section 1 of this chapter unless the person has a balance on the person's mortgage or contract indebtedness that is recorded in the county recorder's office (including any home equity line of credit that is recorded in the county recorder's office) that is the basis for the deduction; and

(2) that specifies the penalties for perjury.

(j) The department of local government finance shall develop a notice:

(1) that must be displayed in a place accessible to the public in the office of each county auditor;

(2) that includes the information described in subsection (i); and

(3) that explains that the form prescribed by the department of local government finance to claim the deduction under section 1 of this chapter must be signed by the property owner or contract purchaser under the penalties of perjury.

SECTION 7. IC 6-1.1-12-9, AS AMENDED BY P.L.113-2010, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed twenty-five thousand dollars ($25,000);

(3) the individual has owned the real property, mobile home, or

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manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a **qualified installment** contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred eighty-two thousand four hundred thirty dollars ($182,430);

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, (for assessment dates after February 28, 2008) 37.5, and 38 of this chapter; and

(7) the person:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 10.1 of this chapter is filed.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) twelve thousand four hundred eighty dollars ($12,480).

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) twelve thousand four hundred eighty dollars ($12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or

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a manufactured home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(7).

(g) An individual who has sold real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property~~ may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 8. IC 6-1.1-12-10.1, AS AMENDED BY P.L.144-2008, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 10.1. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked

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on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) the source and exact amount of gross income received by the individual and the individual's spouse during the preceding calendar year;

(2) the description and assessed value of the real property, mobile home, or manufactured home;

(3) the individual's full name and complete residence address;

(4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on **a qualified installment** contract; and

(5) any additional information which the department of local government finance may require.

(c) In order to substantiate the deduction statement, the applicant shall submit for inspection by the county auditor a copy of the applicant's and a copy of the applicant's spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 9. IC 6-1.1-12-11, AS AMENDED BY P.L.1-2010, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a **qualified installment** contract ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and~~ if:

(1) the individual is blind or the individual has a disability;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence;

(3) the individual's taxable gross income for the calendar year

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preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars ($17,000); and

(4) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 12 of this chapter is filed.

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "individual with a disability" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

(1) can be expected to result in death; or

(2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) An individual with a disability filing a claim under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) An individual with a disability not covered under the federal Social Security Act shall be examined by a physician and the individual's status as an individual with a disability determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 10. IC 6-1.1-12-12, AS AMENDED BY P.L.1-2009, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a person who desires to claim the deduction provided in section 11 of this chapter must file

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an application, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the application must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the application must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) Proof of blindness may be supported by:

(1) the records of the division of family resources or the division of disability and rehabilitative services; or

(2) the written statement of a physician who is licensed by this state and skilled in the diseases of the eye or of a licensed optometrist.

(c) The application required by this section must contain the record number and page where the **qualified installment** contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on a **qualified installment** contract. ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home.~~

SECTION 11. IC 6-1.1-12-13, AS AMENDED BY P.L.1-2010, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Except as provided in section 40.5 of this chapter an individual may have twenty-four thousand nine hundred sixty dollars ($24,960) deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a **qualified installment** contract ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and~~ if:

(1) the individual served in the military or naval forces of the United States during any of its wars;

(2) the individual received an honorable discharge;

(3) the individual has a disability with a service connected disability of ten percent (10%) or more;

(4) the individual's disability is evidenced by:

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(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and

(5) the individual:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 15 of this chapter is filed.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 12. IC 6-1.1-12-14, AS AMENDED BY P.L.1-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of twelve thousand four hundred eighty dollars ($12,480) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a **qualified installment** contract) ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office)~~ if:

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(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
(2) the individual received an honorable discharge;
(3) the individual either:
(A) has a total disability; or
(B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%);
(4) the individual's disability is evidenced by:
(A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section; and
(5) the individual:
(A) owns the real property, mobile home, or manufactured home; or
(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;
on the date the statement required by section 15 of this chapter is filed.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds one hundred forty-three thousand one hundred sixty dollars ($143,160).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 13. IC 6-1.1-12-15, AS AMENDED BY P.L.144-2008, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 15. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by section 13 or section 14 of this chapter must file a statement with the auditor of the county in

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which the individual resides. With respect to real property, the statement must be filed during the year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a **qualified installment** contract, ~~that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home,~~ the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 14. IC 6-1.1-12-16, AS AMENDED BY P.L.1-2009, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of eighteen thousand seven hundred twenty dollars ($18,720) deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a **qualified installment** contract ~~that provides that the surviving spouse is to pay property taxes on the real property, mobile home, or manufactured~~

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~~home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and~~ if:

(1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918;

(2) the deceased spouse received an honorable discharge; and

(3) the surviving spouse:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under contract;

on the date the statement required by section 17 of this chapter is filed.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, he or she may receive any other deduction which he or she is entitled to by law.

(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 15. IC 6-1.1-12-17, AS AMENDED BY P.L.144-2008, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17. Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be filed during the year for which the surviving spouse wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the **qualified installment** contract or memorandum of the contract is recorded, if the

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individual is buying the real property on a **qualified installment** contract. ~~that provides that the individual is to pay property taxes on the real property.~~

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 16. IC 6-1.1-12-17.4, AS AMENDED BY P.L.1-2009, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of eighteen thousand seven hundred twenty dollars ($18,720) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a **qualified installment** contract ~~that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office,~~ if:

(1) the real property, mobile home, or manufactured home is the veteran's principal residence;

(2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed two hundred six thousand five hundred dollars ($206,500);

(3) the veteran owns the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; and

(4) the veteran:

(A) owns the real property, mobile home, or manufactured home; or

(B) is buying the real property, mobile home, or manufactured home under **a qualified installment** contract;

on the date the statement required by section 17.5 of this chapter is filed.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse

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satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 17. IC 6-1.1-12-17.5, AS AMENDED BY P.L.144-2008, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter and subject to section 45 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must file the statement during the year for which the veteran wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 31 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

(1) a description and the assessed value of the real property, mobile home, or manufactured home;

(2) the veteran's full name and complete residence address;

(3) the record number and page where the contract or memorandum of the **qualified installment** contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a **qualified installment** contract; ~~that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home;~~ and

(4) any additional information which the department of local government finance may require.

SECTION 18. IC 6-1.1-12-37, AS AMENDED BY P.L.113-2010, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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MARCH 1, 2011 (RETROACTIVE)]: Sec. 37. (a) The following definitions apply throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence:

(A) that is located in Indiana;

(B) that:

(i) the individual owns;

(ii) the individual is buying under a **qualified installment** contract; ~~recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence;~~

(iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or

(iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

(1) the assessment date; or

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

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

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deduction.

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

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

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

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a **qualified installment** contract ~~that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home~~ may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

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

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

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

(3) the names of:

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

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

(ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

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

(ii) that they use as their legal names when they sign their

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names on legal documents;

if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) do not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

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

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

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

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

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

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

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

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

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

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

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

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the numbers

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required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

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

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

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

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

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

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

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

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

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

(2) first due and payable in 2010;

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

(m) For assessments dates after 2009, the term "homestead" includes:

(1) a deck or patio;

(2) a gazebo; or

(3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

SECTION 19. IC 6-1.1-12-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 39. (a) A person who

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is:

(1) purchasing property under a contract that does not require the buyer to pay property taxes on the property; and

(2) required to pay property taxes under IC 6-1.1-10-41;

is eligible for a deduction granted by this chapter to the same extent as a person who is buying property under a **qualified installment** contract. ~~that provides the contract buyer is to pay property taxes on the property.~~

(b) To obtain the deduction, with the application the applicant must provide:

(1) the same information concerning the contract that is required for **qualified installment** contracts; ~~that require the buyer to pay property taxes;~~ and

(2) information that indicates that IC 6-1.1-10-41 applies to the property.

SECTION 20. IC 6-1.1-12-46 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 46. (a) This section applies to an assessed valuation deduction claimed for:**

(1) an assessment date occurring after February 28, 2012, with respect to property taxes first due and payable after December 31, 2012, for an assessed valuation deduction claimed for real property; or

(2) an assessment date occurring after December 31, 2011, with respect to property taxes first due and payable after December 31, 2011, for an assessed valuation deduction claimed for a mobile home or manufactured home assessed under IC 6-1.1-7.

(b) A person who:

(1) owns property subject to taxation under this article;

(2) intentionally misrepresents a residential lease as a qualified installment contract; and

(3) through the misrepresentation described in subdivision (2) causes another individual to improperly claim a deduction that is made available to a buyer under a qualified installment contract under this chapter;

is liable for any additional taxes that would have been due on the property if the person had leased the property to the purported contract buyer, plus a civil penalty equal to ten percent (10%) of the additional taxes due.

(c) The civil penalty imposed under subsection (b) is in addition to any interest and penalties for a delinquent payment that might

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otherwise be due.

(d) One percent (1%) of the total civil penalty collected under this section shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under section 37 of this chapter and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.".

Page 2, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 2. IC 6-1.1-24-2, AS AMENDED BY P.L.146-2008, SECTION 258, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) In addition to the delinquency list required under section 1 of this chapter, each county auditor shall prepare a notice. The notice shall contain the following:

(1) A list of tracts or real property eligible for sale under this chapter.

(2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder, subject to the right of redemption.

(3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of:

(A) the delinquent taxes and special assessments on each tract or item of real property;

(B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent;

(C) all penalties due on the delinquencies;

(D) an amount prescribed by the county auditor that equals the sum of:

(i) the greater of twenty-five dollars ($25) or postage and publication costs; and

(ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and

(E) any unpaid costs due under subsection (b) from a prior tax sale.

(4) A statement that a person redeeming each tract or item of real property after the sale must pay:

(A) one hundred ten percent (110%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed not more than six (6) months after the date of sale;

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(B) one hundred fifteen percent (115%) of the amount of the minimum bid for which the tract or item of real property was offered at the time of sale if the tract or item of real property is redeemed more than six (6) months after the date of sale;

(C) ~~the amount by which the purchase price exceeds the minimum bid on the tract or item of real property plus~~ ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid; and

(D) all taxes and special assessments on the tract or item of real property paid by the purchaser after the tax sale plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property.

(5) A statement for informational purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The township assessor, or the county assessor if there is no township assessor for the township, upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.

(6) A statement that the county does not warrant the accuracy of the street address or common description of the property.

(7) A statement indicating:

(A) the name of the owner of each tract or item of real property with a single owner; or

(B) the name of at least one (1) of the owners of each tract or item of real property with multiple owners.

(8) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include the following:

(A) A statement:

(i) that the county auditor and county treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under subdivision (3), and for an order to sell the tracts or real property at public auction to the highest bidder, subject to the right of redemption; and

(ii) indicating the date when the period of redemption specified in IC 6-1.1-25-4 will expire.

(B) A statement that any defense to the application for

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judgment must be:

(i) filed with the court; and

(ii) served on the county auditor and the county treasurer;

before the date designated as the earliest date on which the application for judgment may be filed.

(C) A statement that the county auditor and the county treasurer are entitled to receive all pleadings, motions, petitions, and other filings related to the defense to the application for judgment.

(D) A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.

(9) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.

(10) A statement that the sale will take place at the times and dates designated in the notice. Whenever the public auction is to be conducted as an electronic sale, the notice must include a statement indicating that the public auction will be conducted as an electronic sale and a description of the procedures that must be followed to participate in the electronic sale.

(11) A statement that a person redeeming each tract or item after the sale must pay the costs described in IC 6-1.1-25-2(e).

(12) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6.

(13) A statement that, if the tract or item of real property is sold for an amount more than the minimum bid and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

(14) If a determination has been made under subsection (d), a statement that tracts or items will be sold together.

(b) If within sixty (60) days before the date of the tax sale the county incurs costs set under subsection (a)(3)(D) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate under this subsection to the owner of the property identified

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in the tax duplicate.

(c) The amount of unpaid costs entered upon a tax duplicate under subsection (b) must be paid no later than the date upon which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate under subsection (b) are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

(d) The county auditor and county treasurer may establish the condition that a tract or item will be sold and may be redeemed under this chapter only if the tract or item is sold or redeemed together with one (1) or more other tracts or items. Property may be sold together only if the tract or item is owned by the same person.

SECTION 21. IC 6-1.1-24-5.3, AS AMENDED BY P.L.88-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5.3. (a) This section applies to the following:

(1) A person who:

(A) owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in an unsafe building or unsafe premises in the county in which a sale is held under this chapter; and

(B) is subject to an order issued under IC 36-7-9-5(a)(2), IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5) regarding which the conditions set forth in IC 36-7-9-10(a)(1) through IC 36-7-9-10(a)(4) exist.

(2) A person who:

(A) owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in an unsafe building or unsafe premises in the county in which a sale is held under this chapter; and

(B) is subject to an order issued under IC 36-7-9-5(a), other than an order issued under IC 36-7-9-5(a)(2), IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5), regarding which the conditions set forth in IC 36-7-9-10(b)(1) through IC 36-7-9-10(b)(4) exist.

(3) A person who is the defendant in a court action brought under IC 36-7-9-18, IC 36-7-9-19, IC 36-7-9-20, IC 36-7-9-21, or IC 36-7-9-22 in the county in which a sale is held under this chapter that has resulted in a judgment in favor of the plaintiff and the unsafe condition that caused the action to be brought has not been corrected.

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(4) A person who has any of the following relationships to a person, partnership, corporation, or legal entity described in ~~subdivisions~~ **subdivision** (1), (2), or (3);

(A) A partner of a partnership.

(B) An officer or majority stockholder of a corporation.

(C) The person who directs the activities or has a majority ownership in a legal entity other than a partnership or corporation.

(5) A person who, in the county in which a sale is held under this chapter, owes:

(A) delinquent taxes;

(B) special assessments;

(C) penalties;

(D) interest; or

(E) costs directly attributable to a prior tax sale;

on a tract or an item of real property listed under section 1 of this chapter.

(6) A person who owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in a vacant or abandoned structure subject to an enforcement order under IC 32-30-6, IC 32-30-7, IC 32-30-8, or IC 36-7-9.

(7) A person who is an agent of the person described in this subsection.

(b) A person subject to this section may not purchase a tract offered for sale under section 5 or 6.1 of this chapter. However, this section does not prohibit a person from bidding on a tract that is owned by the person and offered for sale under section 5 of this chapter.

(c) The county treasurer shall require each person who will be bidding at the tax sale to sign a statement in a form substantially similar to the following:

"Indiana law prohibits a person who owes delinquent taxes, special assessments, penalties, interest, or costs directly attributable to a prior tax sale, from purchasing tracts or items of real property at a tax sale. I hereby affirm under the penalties for perjury that I do not owe delinquent taxes, special assessments, penalties, interest, costs directly attributable to a prior tax sale, amounts from a final adjudication in favor of a political subdivision in this county, any civil penalties imposed for the violation of a building code or ordinance of this county, or any civil penalties imposed by a health department in this county. Further, I hereby acknowledge that any successful bid I make in violation of this statement is subject to forfeiture. In the event of

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forfeiture, the amount ~~of~~ **by which** my bid **exceeds the minimum bid, if any,** shall be applied to the delinquent taxes, special assessments, penalties, interest, costs, judgments, or civil penalties I owe, and a certificate will be issued to the county executive.".

(d) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is subject to forfeiture. If the county treasurer determines or is notified not more than six (6) months after the date of the sale that the sale of the property should be forfeited, the county treasurer shall:

(1) notify the person in writing that the sale is subject to forfeiture if the person does not pay the amounts that the person owes within thirty (30) days of the notice;

(2) if the person does not pay the amounts that the person owes within thirty (30) days after the notice, apply the ~~surplus~~ amount of the person's bid **that exceeds the minimum bid** to the person's delinquent taxes, special assessments, penalties, and interest;

(3) remit the amounts owed from a final adjudication or civil penalties in favor of a political subdivision to the appropriate political subdivision; and

(4) notify the county auditor that the sale has been forfeited.

Upon being notified that a sale has been forfeited, the county auditor shall issue a certificate to the county executive under section 6 of this chapter.

(e) A county treasurer may decline to forfeit a sale under this section because of inadvertence or mistake, lack of actual knowledge by the bidder, substantial harm to other parties with interests in the tract or item of real property, or other substantial reasons. If the treasurer declines to forfeit a sale, the treasurer shall:

(1) prepare a written statement explaining the reasons for declining to forfeit the sale; and

(2) retain the written statement as an official record.

(f) If a sale is forfeited under this section and the tract or item of real property is redeemed from the sale, the county auditor shall deposit the amount of the redemption into the county general fund and notify the county executive of the redemption. Upon being notified of the redemption, the county executive shall surrender the certificate to the county auditor.

SECTION 22. IC 6-1.1-24-6, AS AMENDED BY P.L.89-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6. (a) When a tract or an item of real property is offered for sale under this chapter and an amount is not received equal

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to or in excess of the minimum sale price prescribed in section 5(e) of this chapter, the county executive acquires a lien in the amount of the minimum sale price. This lien attaches on the day after the last date on which the tract or item was offered for sale.

(b) When a county executive acquires a lien under this section, the county auditor shall issue a tax sale certificate to the county executive in the manner provided in section 9 of this chapter. The county auditor shall date the certificate the day that the county executive acquires the lien. When a county executive acquires a certificate under this section, the county executive has the same rights as a purchaser.

(c) When a lien is acquired by a county executive under this section, no money shall be paid by the county executive. However, each of the taxing units having an interest in the taxes on the tract shall be charged with the full amount of all delinquent taxes due them.

~~(d) This section shall apply to any tract or an item of real property offered for sale under this chapter in 2006, and an amount was not received equal to or in excess of the minimum sale price prescribed in section 5(e) of this chapter, if the county executive finds that the tract or item of real property meets the definition of a brownfield as set forth in IC 13-11-2-19.3.~~

SECTION 23. IC 6-1.1-24-6.1, AS AMENDED BY P.L.73-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6.1. (a) The county executive may do the following:

(1) By resolution, identify properties:

(A) that are described in section 6.7(a) of this chapter; and

(B) concerning which the county executive desires to offer to the public the certificates of sale acquired by the county executive under section 6 of this chapter.

(2) In conformity with IC 5-3-1-4, publish:

(A) notice of the date, time, and place for a public sale; and

(B) a listing of parcels on which certificates will be offered by parcel number and minimum bid amount;

once each week for three (3) consecutive weeks, with the final advertisement being not less than thirty (30) days before the sale date. The expenses of the publication shall be paid out of the county general fund.

(3) Sell each certificate of sale covered by the resolution for a price that:

(A) is less than the minimum sale price prescribed by section 5(e) of this chapter; and

(B) includes any costs to the county executive directly

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attributable to the sale of the certificate of sale.

(b) Notice of the list of properties prepared under subsection (a) and the date, time, and place for the public sale of the certificates of sale shall be published in accordance with IC 5-3-1. The notice must:

(1) include a description of the property by parcel number and common address;

(2) specify that the county executive will accept bids for the certificates of sale for the price referred to in subsection (a)(3);

(3) specify the minimum bid for each parcel;

(4) include a statement that a person redeeming each tract or item of real property after the sale of the certificate must pay:

(A) **one hundred ten percent (110%) of** the amount of the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale;

(B) ten percent (10%) ~~of~~ **per annum on** the amount ~~for which the certificate is sold~~ **by which the purchase price exceeds the minimum bid;**

(C) the attorney's fees and costs of giving notice under IC 6-1.1-25-4.5;

(D) the costs of a title search or of examining and updating the abstract of title for the tract or item of real property;

(E) all taxes and special assessments on the tract or item of real property paid by the purchaser after the sale of the certificate plus interest at the rate of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property; and

(F) all costs of sale, advertising costs, and other expenses of the county directly attributable to the sale of certificates of sale; and

(5) include a statement that, if the certificate is sold for an amount more than the minimum bid under section 5(e) of this chapter for which the tract or item of real property was last offered for sale and the property is not redeemed, the owner of record of the tract or item of real property who is divested of ownership at the time the tax deed is issued may have a right to the tax sale surplus.

SECTION 24. IC 6-1.1-24-8, AS AMENDED BY P.L.89-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. When one who purchases real property at a tax sale fails to pay the bid, the real property shall again be offered for sale. A purchaser who fails to pay the bid shall pay a civil penalty of twenty-five percent (25%) of the amount of the bid. The county prosecuting attorney **or the county treasurer** shall initiate an action

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in the name of the ~~state treasurer~~ **county** to recover the civil penalty, **treble damages, costs, and reasonable attorney's fees.** Amounts collected under this section shall be deposited in the county general fund.".

Page 3, line 20, strike "the amount by which the purchase price exceeds".

Page 3, line 21, strike "the minimum bid on the real property plus".

Page 6, between lines 31 and 32, begin a new paragraph and insert:

"SECTION 28. IC 36-7-14-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 0.5. (a) The definitions in this section apply throughout this chapter.**

(b) "Obligation" means any bond, note, warrant, lease, or other obligation pursuant to which money is borrowed.

(c) "Public funds" means all fees and funds of whatever kind or character coming into the possession of the:

(1) redevelopment commission; or

(2) department of redevelopment.

SECTION 29. IC 36-7-14-2.5, AS AMENDED BY P.L.221-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2.5. (a) The assessment, planning, replanning, remediation, development, and redevelopment of economic development areas:

(1) are public and governmental functions that cannot be accomplished through the ordinary operations of private enterprise because of:

(A) the necessity for requiring the proper use of the land so as to best serve the interests of the county and its citizens; and

(B) the costs of these projects;

(2) will:

(A) benefit the public health, safety, morals, and welfare;

(B) increase the economic well-being of the unit and the state; and

(C) serve to protect and increase property values in the unit and the state; and

(3) are public uses and purposes for which public money may be spent and private property may be acquired.

(b) This section and sections 41 and 43 of this chapter shall be liberally construed to carry out the purposes of this section.

(c) Except as provided in subsection (d), a redevelopment commission may not enter into any obligation payable from public funds without first obtaining the approval, by ordinance or

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resolution, of the legislative body of the unit.

(d) A redevelopment commission is not required to obtain the approval of the legislative body of the unit under this section if:

(1) the obligation is for the acquisition of real property under this chapter; and

(2) the agreement to acquire the real property requires the redevelopment commission to either:

(A) make payments for the real property to be acquired for a term of less than three (3) years; or

(B) purchase the real property for a cost of less than five million dollars ($5,000,000).

A redevelopment commission may not enter into an obligation payable from public funds, other than an obligation described in this subsection, unless the redevelopment commission first obtains the approval of the legislative body of the unit as provided in subsection (c).

(e) The approving ordinance or resolution of a legislative body must include the following:

(1) The maximum amount of the obligation.

(2) The maximum interest rate or rates, any provisions for redemption prior to maturity, and any provisions for the payment of capitalized interest associated with the obligation.

(3) The maximum term of the obligation.

SECTION 30. IC 36-7-14-3, AS AMENDED BY P.L.190-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) A unit may establish a department of redevelopment controlled by a board of five (5) members to be known as "_____ Redevelopment Commission", designating the name of the municipality or county. However, in the case of a county, the county executive may adopt an ordinance providing that the county redevelopment commission consists of seven (7) members.

(b) A redevelopment commission and a department of redevelopment are subject to the oversight of the legislative body of the unit, including review by the legislative body of annual budgets. A redevelopment commission is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3 and a municipality for purposes of IC 5-11-1.

~~(b)~~ **(c)** Subject to section 3.5 of this chapter, all of the territory within the corporate boundaries of a municipality constitutes a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this chapter. Subject to section 3.5 of this chapter, all of the territory in a county, except that

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within a municipality that has a redevelopment commission, constitutes a taxing district for a county.

~~(c)~~ **(d)** All of the taxable property within a taxing district is considered to be benefited by redevelopment projects carried out under this chapter to the extent of the special taxes levied under this chapter.

SECTION 31. IC 36-7-14-8, AS AMENDED BY P.L.190-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 8. (a) The redevelopment commissioners shall hold a meeting for the purpose of organization not later than thirty (30) days after they are appointed and, after that, each year on the first day in January that is not a Saturday, a Sunday, or a legal holiday. They shall choose one (1) of their members as president, another as vice president, and another as secretary. These officers shall perform the duties usually pertaining to their offices and shall serve from the date of their election until their successors are elected and qualified.

(b) The redevelopment commission may appoint a treasurer who need not be a member of the redevelopment commission. The redevelopment commission may provide for the payment of compensation to a treasurer who is not a member of the redevelopment commission. Notwithstanding any other provision of this chapter, the treasurer has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission in accordance with the requirements of this chapter. However, the treasurer may not perform any duties of the fiscal officer or any other officer of the unit that are prescribed by section 24 of this chapter or by any provisions of this chapter that pertain to the issuance and sale of bonds, notes, or warrants of the special taxing district. **The treasurer shall report quarterly to the fiscal officer of the unit.**

(c) The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property placed in their custody by this chapter. In addition to the annual meeting, the commissioners may, by resolution or in accordance with their rules and bylaws, prescribe the date and manner of notice of other regular or special meetings.

(d) This subsection does not apply to a county redevelopment commission that consists of seven (7) members. Three (3) of the redevelopment commissioners constitute a quorum, and the concurrence of three (3) commissioners is necessary to authorize any action.

(e) This subsection applies only to a county redevelopment

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commission that consists of seven (7) members. Four (4) of the redevelopment commissioners constitute a quorum, and the concurrence of four (4) commissioners is necessary to authorize any action.

SECTION 32. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12.2. (a) The redevelopment commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(7) Repair and maintain structures acquired for redevelopment purposes.

(8) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.

(9) Survey or examine any land to determine whether it should be

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included within an area needing redevelopment to be acquired for redevelopment purposes and to determine the value of that land.
(10) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:
(A) real property acquired or being acquired for redevelopment purposes; or
(B) any area needing redevelopment within the jurisdiction of the commissioners.
(11) Institute or defend in the name of the unit any civil action.
(12) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the department of redevelopment.
(13) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit in the manner prescribed by section 20 of this chapter.
(14) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.
(15) Appoint clerks, guards, laborers, and other employees the commission considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.
(16) Prescribe the duties and regulate the compensation of employees of the department of redevelopment.
(17) Provide a pension and retirement system for employees of the department of redevelopment by using the Indiana public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.
(18) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (15).
(19) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.
(20) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.
(21) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.
(22) Contract for the construction of:
(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

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(B) any structure that enhances development or economic development.

(23) Contract for the construction, extension, or improvement of pedestrian skyways.

(24) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(25) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(26) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (25); or

(B) construct, rehabilitate, or repair commercial property within the district.

(27) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(b) Conditions imposed by the commission under subsection (a)(27) remain in force throughout the period determined under subsection (a)(27)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the

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redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5. **However, if a power pertains to issuing bonds or incurring an obligation, the exercise of the power must first be specifically approved by the legislative body of the unit.**

SECTION 33. IC 36-7-14-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Within thirty (30) days after the close of each calendar year, the redevelopment commissioners shall file with the unit's executive a report setting out their activities during the preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained.

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

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

SECTION 34. IC 36-7-14-19, AS AMENDED BY P.L.185-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 19. (a) If no appeal is taken or if an appeal is taken but is unsuccessful, the redevelopment commission shall proceed with the proposed project to the extent that money is available for that purpose.

(b) The redevelopment commission shall first approve and adopt a list of the real property and interests in real property to be acquired and the price to be offered to the owner of each parcel of interest. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars ($10,000), the second appraisal may be made by a qualified

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employee of the department of redevelopment. The prices indicated on the list may not be exceeded unless specifically authorized by the commission or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if the commission finds that such an acquisition is not necessary under the redevelopment plan. Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the redevelopment commission, by its employees, or by expert negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the title of the property. Payment for the property purchased shall be made when and as directed by the commission but only on delivery of proper instruments conveying the title or interest of the owner to the "City (Town or County) of _____ for the use and benefit of its department of redevelopment". **Notwithstanding the other provisions of this subsection, any agreement by the commission to:**

(1) make payments for the property to be purchased over a term exceeding three (3) years; or

(2) pay a purchase price for the property that exceeds five million dollars ($5,000,000);

is subject to the approval of the legislative body of the unit.

(d) All real property and interests in real property acquired by the redevelopment commission are free and clear of all liens, assessments, and other governmental charges except for current property taxes, which shall be prorated to the date of acquisition.

(e) Notwithstanding subsections (a) through (d), the redevelopment commission may, before the time referred to in this section, accept gifts of property needed for the redevelopment of redevelopment project areas if the property is free and clear of all liens other than taxes, assessments, and other governmental charges. The commission may, before the time referred to in this section, take options on or contract for the acquisition of property needed for the redevelopment of redevelopment project areas if the options and contracts are not binding on the commission or the district until the time referred to in this section and until money is available to pay the consideration set out in the options or contracts.

SECTION 35. IC 36-7-14-22.5, AS ADDED BY P.L.169-2006,

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SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22.5. (a) This section applies to the following:

(1) Real property:

(A) that was acquired by the commission to carry out a redevelopment project, an economic development area project, or an urban renewal project; and

(B) relative to which the commission has, at a public hearing, decided that the real property is not needed to complete the redevelopment activity, an economic development activity, or urban renewal activity in the project area.

(2) Real property acquired under this chapter that is not in a redevelopment project area, economic development area, or an urban renewal project area.

(3) Parcels of property secured from the county under IC 6-1.1-25-9(e) that were acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(4) Real property donated or transferred to the commission to be held and disposed of under this section.

However, this section does not apply to property acquired under section 32.5 of this chapter.

(b) The commission may do the following to or for real property described in subsection (a):

(1) Examine, classify, manage, protect, insure, and maintain the property.

(2) Eliminate deficiencies (including environmental deficiencies), carry out repairs, remove structures, and make improvements.

(3) Control the use of the property.

(4) Lease the property.

(5) Use any powers under section 12.2 of this chapter in relation to the property.

(c) The commission may enter into contracts to carry out part or all of the functions described in subsection (b).

(d) The commission may extinguish all delinquent taxes, special assessments, and penalties relative to real property donated to the commission to be held and disposed of under this section. The commission shall provide the county auditor with a list of the real property on which delinquent taxes, special assessments, and penalties are extinguished under this subsection.

(e) **Subject to the prior approval by the legislative body of the unit,** real property described in subsection (a) may be sold, exchanged, transferred, granted, donated, or otherwise disposed of in any of the following ways:

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(1) In accordance with section 22, 22.2, 22.6, or 22.7 of this chapter.

(2) In accordance with the provisions authorizing an urban homesteading program under IC 36-7-17.

The commission shall provide to the legislative body at the public meeting all the information supporting the action the commission proposes to take under this subsection, including any terms and conditions the commission would have to agree to in order to carry out the action.

(f) In disposing of real property under subsection (e), the commission may:

(1) group together properties for disposition in a manner that will best serve the interest of the community, from the standpoint of both human and economic welfare; and

(2) group together nearby or similar properties to facilitate convenient disposition.

SECTION 36. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008, SECTION 732, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 25.1. (a) In addition to other methods of raising money for property acquisition or redevelopment in a redevelopment project area, and in anticipation of the special tax to be levied under section 27 of this chapter, the taxes allocated under section 39 of this chapter, or other revenues of the district, or any combination of these sources, the redevelopment commission may, by **bond** resolution and subject to ~~subsection~~ **subsections (c) and** (p), issue the bonds of the special taxing district in the name of the unit. The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including:

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

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

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

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

(b) If the redevelopment commission plans to acquire different parcels of land or let different contracts for redevelopment work at

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approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) **The legislative body of the unit must adopt a resolution that includes the maximum principal amount, term, any provision for redemption prior to maturity, maximum interest rate or rates, any provisions for the payment of capitalized interest, public purpose of the bond, and the use of its proceeds.** The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

(1) the denominations of the bonds;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

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

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

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in ~~any amount without limitation.~~ **the amount approved by the legislative body in the resolution described in subsection (c).**

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

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

(l) All laws relating to:

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

(2) the right of:

(A) taxpayers and voters to remonstrate against the issuance of

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bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.1(a); or

(B) voters to vote on the issuance of bonds in the case of a proposed bond issue described by IC 6-1.1-20-3.5(a);

apply to bonds issued under this chapter except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be:

(1) deposited in the allocation fund established under section 39(b)(2) of this chapter; and

(2) to the extent permitted by law, transferred to the county or municipality that established the department of redevelopment for use in reducing the county's or municipality's property tax levies for debt service.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission adopted before July 1, 2008, is equal to or greater than three million dollars ($3,000,000), the bonds may not be issued without the approval, by resolution, of the legislative body of the unit. Bonds authorized in any principal amount by a resolution of

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the redevelopment commission adopted after June 30, 2008, may not be issued without the approval of the legislative body of the unit.

SECTION 37. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008, SECTION 733, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 25.2. (a) **Subject to the prior approval of the legislative body of the unit,** a redevelopment commission may enter into a lease of any property that could be financed with the proceeds of bonds issued under this chapter with a lessor for a term not to exceed:

(1) fifty (50) years, for a lease entered into before July 1, 2008; or

(2) twenty-five (25) years, for a lease entered into after June 30, 2008.

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

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

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

(1) The maximum annual lease rental for the lease.

(2) The maximum interest rate or rates, any provisions for redemption prior to maturity, and any provisions for the payment of capitalized interest associated with the lease.

(3) The maximum term of the lease.

(d) Upon execution of a lease providing for payments by the redevelopment commission in whole or in part from the levy of special benefits taxes under section 27 of this chapter and upon approval of the

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

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

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

(1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and

(2) establish a special fund to make the payments.

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

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

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

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

SECTION 38. IC 36-7-14-27, AS AMENDED BY P.L.146-2008, SECTION 734, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 27. (a) This section applies only to:

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

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

which are payable from a special tax levied upon all of the property in the special taxing district. This section does not apply to bonds or leases that are payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(b) The redevelopment commission, **with the approval of the legislative body,** shall levy each year a special tax on all of the property of the redevelopment taxing district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under section 25.2 of this chapter. The commission shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the redevelopment district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced. The amount of the tax levied to pay bonds or

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lease rentals payable from the tax levied under this section shall be reduced by any amount available in the allocation fund established under section 39(b)(2) of this chapter or other revenues of the redevelopment commission to the extent such revenues have been set aside in the redevelopment bond fund.

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

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

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

SECTION 39. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008, SECTION 735, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 27.5. (a) **Subject to the prior approval by the legislative body of the unit,** the redevelopment commission may borrow money in anticipation of receipt of the proceeds of taxes levied for the redevelopment district bond fund and not yet collected, and may evidence this borrowing by issuing warrants of the redevelopment district. However, the aggregate principal amount of warrants issued in anticipation of and payable from the same tax levy or levies may not exceed an amount equal to eighty percent (80%) of that tax levy or levies, as certified by the department of local government finance, or as determined by multiplying the rate of tax as finally approved by the total assessed valuation (after deducting all mortgage deductions) within the redevelopment district, as most

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recently certified by the county auditor.

(b) The warrants may be authorized and issued at any time after the tax or taxes in anticipation of which they are issued have been levied by the redevelopment commission. For purposes of this section, taxes for any year are considered to be levied upon adoption by the commission of a resolution prescribing the tax levies for the year. However, the warrants may not be delivered and paid for before final approval of the tax levy or levies by the county board of tax adjustment or, if appealed, by the department of local government finance, unless the issuance of the warrants has been approved by the department.

(c) All action that this section requires or authorizes the redevelopment commission to take may be taken by resolution, which need not be published or posted. The resolution takes effect immediately upon its adoption by the redevelopment commission. An action to contest the validity of tax anticipation warrants may not be brought later than ten (10) days after the sale date.

(d) In their resolution authorizing the warrants, the redevelopment commission must provide that the warrants mature at a time or times not later than December 31 after the year in which the taxes in anticipation of which the warrants are issued are due and payable.

(e) In their resolution authorizing the warrants, the redevelopment commission may provide:

(1) the date of the warrants;
(2) the interest rate of the warrants;
(3) the time of interest payments on the warrants;
(4) the denomination of the warrants;
(5) the form either registered or payable to bearer, of the warrants;
(6) the place or places of payment of the warrants, either inside or outside the state;
(7) the medium of payment of the warrants;
(8) the terms of redemption, if any, of the warrants, at a price not exceeding par value and accrued interest;
(9) the manner of execution of the warrants; and
(10) that all costs incurred in connection with the issuance of the warrants may be paid from the proceeds of the warrants.

(f) The warrants shall be sold for not less than par value, after notice inviting bids has been published under IC 5-3-1. The redevelopment commission may also publish the notice in other newspapers or financial journals.

(g) Warrants and the interest on them are not subject to any limitation contained in section 25.1 of this chapter, and are payable solely from the proceeds of the tax levy or levies in anticipation of

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which the warrants were issued. The authorizing resolution must pledge a sufficient amount of the proceeds of the tax levy or levies to the payment of the warrants and the interest.

SECTION 40. IC 36-7-14-39, AS AMENDED BY P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: 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 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

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in an amendment to the declaratory resolution;

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

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

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

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

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

(b) A declaratory resolution adopted under section 15 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or 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,

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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 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

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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.

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

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receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

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

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

(i) in the allocation area; and

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

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

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

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

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

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

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

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(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) Obtain the approval of the legislative body of the unit if the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan as adopted under this chapter. The legislative body of the unit may modify the commission's determination with respect to the amount of excess assessed value that is in excess of two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development

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plan.

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

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

(2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(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

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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 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

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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 41. IC 36-7-14-43, AS AMENDED BY P.L.146-2008, SECTION 740, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 43. (a) All of the rights, powers, privileges, and immunities that may be exercised by the commission in a redevelopment project area or urban renewal area may be exercised by the commission in an economic development area, subject to the following:

(1) The content and manner of exercise of these rights, powers, privileges, and immunities shall be determined by the purposes and nature of an economic development area. **A right, power, privilege, or immunity that pertains to issuing bonds or incurring an obligation may not be exercised by a redevelopment commission unless it is first specifically authorized by the legislative body, regardless of any other law.**

(2) Real property (or interests in real property) relative to which action is taken in an economic development area is not required to meet the conditions described in IC 36-7-1-3.

(3) The special tax levied in accordance with section 27 of this chapter may be used to carry out activities under this chapter in economic development areas.

(4) Bonds may be issued in accordance with section 25.1 of this chapter to defray expenses of carrying out activities under this chapter in economic development areas if no other revenue sources are available for this purpose.

(5) The tax exemptions set forth in section 37 of this chapter are applicable in economic development areas.

(6) An economic development area may be an allocation area for the purposes of distribution and allocation of property taxes.

(7) The commission may not use its power of eminent domain under section 20 of this chapter to carry out activities under this chapter in an economic development area.

(b) The content and manner of discharge of duties set forth in section 11 of this chapter shall be determined by the purposes and nature of an economic development area.

SECTION 42. IC 36-7-14.5-7 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) A _____ Redevelopment Authority (the blank to be filled in with a name designated by the legislative body of the unit) may be created in the unit as a separate body corporate and politic and as an instrumentality of the unit to exercise any power granted to the authority under this chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

(c) An authority is a public agency for purposes of IC 5-14-1.5 and IC 5-14-3 and a municipality for purposes of IC 5-11-1.

SECTION 43. IC 36-7-14.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an assistant secretary-treasurer. **The secretary-treasurer shall report quarterly to the fiscal officer of the unit that established the redevelopment authority.**

(b) Special meetings may be called by the president of the board or any two (2) members of the board.

(c) A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action.

SECTION 44. IC 36-7-14.5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Bonds issued under IC 36-7-14 may be refunded as provided in this section.

(b) **Subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.2,** the commission may:

(1) lease all or a portion of a local public improvement or improvements to the authority, which may be at a nominal lease rental with a lease back to the commission, conditioned upon the authority assuming bonds issued under IC 36-7-14 and issuing its bonds to refund those bonds; and

(2) sell all or a portion of a local public improvement or improvements to the authority for a price sufficient to provide for the refunding of those bonds and lease back the local public improvement or improvements from the authority.

SECTION 45. IC 36-7-14.5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) Before a lease may be entered into, the commission must:

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(1) find that the lease rental provided for is fair and reasonable; **and**

(2) obtain the prior approval of the legislative body of the unit under IC 36-7-14-25.2.

(b) A lease of local public improvements from the authority to the commission:

(1) must comply with IC 36-7-14-25.2 or IC 36-7-30-20;

(2) may not require payment of lease rental for a newly constructed local public improvement or for improvements to an existing local public improvement except to the extent that the local public improvement or improvements thereto have been completed and are ready for occupancy or use;

(3) may contain provisions:

(A) allowing the commission to continue to operate an existing local public improvement until completion of the improvements, reconstruction, or renovation; and

(B) requiring payment of lease rentals for an existing local public improvement being used, reconstructed, or renovated;

(4) may contain an option to renew the lease for the same or shorter term on the conditions provided in the lease;

(5) must contain an option for the commission to purchase the local public improvement upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the local public improvement, including indebtedness incurred for the refunding of that indebtedness;

(6) may be entered into before acquisition or construction of a local public improvement;

(7) may provide that the commission shall agree to:

(A) pay all taxes and assessments thereon;

(B) maintain insurance thereon for the benefit of the authority; and

(C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and

(8) may provide that the lease rental payments by the commission shall be made from any one (1) or more of the sources set forth in IC 36-7-14-25.2 or IC 36-7-30-20.

SECTION 46. IC 36-7-14.5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 18. (a) The commission may lease for a nominal lease rental, or sell to the authority, one (1) or more local public improvements or portions thereof or land upon which a local public improvement is located or is to be constructed.

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(b) Any lease of all or a portion of a local public improvement by the commission to the authority must be for a term equal to the term of the lease of that local public improvement back to the redevelopment commission.

(c) **Subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.2,** the commission may sell property to the authority for such amount as it determines to be in the best interest of the commission, which amount may be paid from the proceeds of bonds of the authority.

SECTION 47. IC 36-7-14.5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 19. (a) **Subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.2,** the authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring property;

(2) constructing, improving, reconstructing, or renovating one (1) or more local public improvements; or

(3) funding or refunding bonds issued under this chapter or IC 36-7-14.

(b) The bonds are payable solely from the lease rentals from the lease of the local public improvement for which the bonds were issued, insurance proceeds, and any other funds pledged or available.

(c) The bonds shall be authorized by a resolution of the board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds shall mature within fifty (50) years.

(f) The board shall sell the bonds at public or private sale upon such terms as determined by the board.

(g) All money received from any bonds issued under this chapter shall be applied solely to the payment of the cost of the acquisition or construction, or both, of local public improvements, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

(1) planning and development of the local public improvements and all related buildings, facilities, structures, and improvements;

(2) acquisition of a site and clearing and preparing the site for construction;

(3) equipment, facilities, structures, and improvements that are necessary or desirable to make the local public improvements that are necessary or desirable to make the local public improvements suitable for use and operations;

(4) architectural, engineering, consultant, and attorney fees;

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(5) incidental expenses in connection with the issuance and sale of bonds;

(6) reserves for principal and interest;

(7) interest during construction and for a period thereafter determined by the board, but in no event to exceed five (5) years;

(8) financial advisory fees;

(9) insurance during construction;

(10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and

(11) in the case of refunding or refinancing, payment of the principal of, redemption premiums, if any, and interest on, the bonds being refunded or refinanced.

SECTION 48. IC 36-7-14.5-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 21. (a) The authority may secure bonds issued under this chapter by a trust indenture between the authority and a corporate trustee, which may be any trust company or national or state bank within Indiana that has trust powers.

(b) **Subject to the prior approval of the legislative body under IC 36-7-14-25.2,** the trust indenture may:

(1) pledge or assign lease rentals, receipts, and income from leased local public improvements, but may not mortgage land or local public improvements;

(2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the authority and board;

(3) set forth the rights and remedies of bondholders and trustee; and

(4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the authority under this section **and approved by the legislative body of the unit** is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien or not. Any trust indenture by which a pledge is created or an assignment need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

SECTION 49. IC 36-7-14.5-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22. If the commission exercises its option to purchase leased property, it may, **subject to the prior approval of the legislative body of the unit under IC 36-7-14-25.1,** issue its bonds as authorized by statute.

SECTION 50. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) The controller of the consolidated city is the fiscal officer of a commission subject to this chapter.**

(b) The controller may obtain financial services on a contractual basis for the purposes of carrying out the powers and duties of the commission and protecting the public interests related to the operations and funding of the commission. The controller has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the authority in accordance with the requirements of state law that apply to other funds and accounts administered by the controller.

SECTION 51. IC 36-7-15.1-12, AS AMENDED BY P.L.185-2005, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12. (a) If no appeal is taken, or if an appeal is taken but is unsuccessful, the commission shall proceed with the proposed project, to the extent that money is available for that purpose.

(b) The commission shall first approve and adopt a list of the real property and interests in real property to be acquired, and the price to be offered to the owner of each parcel or interests. The prices to be offered may not exceed the average of two (2) independent appraisals of fair market value procured by the commission, except that appraisals are not required in transactions with other governmental agencies. However, if the real property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars ($10,000), the second appraisal may be made by a qualified employee of the department. The prices indicated on the list may not be exceeded unless specifically authorized by the commission under section 7 of this chapter or ordered by a court in condemnation proceedings. The commission may except from acquisition any real property in the area if it finds that such an acquisition is not necessary under the redevelopment plan. Appraisals made under this section are for the information of the commission and are not open for public inspection.

(c) Negotiations for the purchase of property may be carried on directly by the commission, by its employees, or by expert negotiators employed for that purpose. The commission shall adopt a standard form of option for use in negotiations, but no option, contract, or understanding relative to the purchase of real property is binding on the commission until approved and accepted by the commission in writing. The commission may authorize the payment of a nominal fee to bind an option, and as a part of the consideration for conveyance may agree to pay the expense incident to the conveyance and determination of the

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title of the property. Payment for the property purchased shall be made when and as directed by the commission, but only on delivery of proper instruments conveying the title or interest of the owner to "City of _____ for the use and benefit of its Department of Metropolitan Development". **Notwithstanding the other provisions of this subsection, any agreement by the commission to make payments for the property purchased over a term exceeding five (5) years is subject to the approval of the legislative body of the unit.**

(d) Notwithstanding subsections (a) through (c), the commission may, before the time referred to in this section, accept gifts of property needed for the redevelopment of redevelopment project areas. The commission may, before the time referred to in this section, take options on or contract for the acquisition of property needed for the redevelopment of redevelopment project areas if the options and contracts are not binding on the commission or the redevelopment district until the time referred to in this section and until money is available to pay the consideration set out in the options or contracts.

(e) Section 15(a) through 15(h) of this chapter does not apply to exchanges of real property (or interests in real property) in connection with the acquisition of real property (or interests in real property) under this section. In acquiring real property (or interests in real property) under this section the commission may, as an alternative to offering payment of money as specified in subsection (b), offer for the real property (or interest in real property) that the commission desires to acquire:

(1) exchange of real property or interests in real property owned by the redevelopment district;

(2) exchange of real property or interests in real property owned by the redevelopment district, along with the payment of money by the commission; or

(3) exchange of real property or interests in real property owned by the redevelopment district along with the payment of money by the owner of the real property or interests in real property that the commission desires to acquire.

The commission shall have the fair market value of the real property or interests in real property owned by the redevelopment district appraised as specified in section 15(b) of this chapter. The appraisers may not also appraise the value of the real property or interests in real property to be acquired by the redevelopment district. The commission shall establish the nature of the offer to the owner based on the difference between the average of the two (2) appraisals of the fair market value of the real property or interests in real property to be acquired by the

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commission and the average of the appraisals of fair market value of the real property or interests in real property to be exchanged by the commission.

SECTION 52. 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, 2011]: 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

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in an amendment to the declaratory resolution;

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

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

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

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

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

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

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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 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

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consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

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

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

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

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

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

(i) in the allocation area; and

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

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

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

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this

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

(C) Obtain the approval of the legislative body of the unit if the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds

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necessary to carry out the redevelopment or economic development plan as adopted under this chapter. The legislative body of the unit may modify the commission's determination with respect to the amount of excess assessed value that is in excess of two hundred percent (200%) of the amount of allocated tax proceeds necessary to carry out the redevelopment or economic development plan.

(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 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

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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 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

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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 53. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) IC 6-1.1-10-24, as amended by this act, applies to IC 6-1.1-11-4, as amended by this act, as if both provisions had been in effect on January 1, 2008.**

(b) This SECTION expires January 1, 2013.

SECTION 54. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) With respect to an assessment date (as defined in IC 6-1.1-1-2) occurring after December 31, 2009, and before January 1, 2013, the definition of "fraternity or sorority" set forth in IC 6-1.1-10-24, as amended by this act, includes a limited liability company whose members are predominantly fraternities, sororities, or foundations related to fraternities or sororities.**

(b) With respect to the March 1, 2010, assessment date, the exemption allowed by IC 6-1.1-10-24, as amended by this act, applies to tangible property acquired for future use by a fraternity or sorority for a use set forth in IC 6-1.1-10-24(b)(2), as amended by this act.

(c) This SECTION expires January 1, 2013.

SECTION 55. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **(a) This SECTION applies to a taxpayer, notwithstanding IC 6-1.1-3, IC 6-1.1-11, IC 6-1.1-17, IC 6-1.1-37, 50 IAC 4.2, 50 IAC 16, or any other statute or administrative rule.**

(b) This section applies to an assessment date (as defined in

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IC 6-1.1-1-2) occurring after December 31, 2005, and before January 1, 2010.

(c) As used in this SECTION, "taxpayer" refers to an Indiana nonprofit corporation that owns real and personal property used as part of or in connection with a men's cooperative house.

(d) A taxpayer, after February 13, 2011, but before February 26, 2011, may file or refile in person or in any other manner consistent with IC 6-1.1-36-1.5:

(1) a Form 136 property tax exemption application, along with any supporting documents, schedules, or attachments, claiming an exemption from real property taxes or personal property taxes, or both under IC 6-1.1-10-16 or IC 6-1.1-10-24, as amended by this act, for any assessment date described in subsection (b); and

(2) a personal property tax return, along with any supporting documents, schedules, or attachments, relating to any personal property under IC 6-1.1-10-16 or IC 6-1.1-10-24, as amended by this act, for any assessment date for which an exemption is claimed on a Form 136 property tax exemption application that is filed under this subsection.

(e) Any property tax exemption application or personal property tax return filed or refiled under subsection (d):

(1) is, subject to this SECTION, allowed; and

(2) is considered to have been timely filed.

(f) If the taxpayer demonstrates in the application or by other means that the property that is subject to the exemption would have qualified for an exemption under IC 6-1.1-10-16 as owned, occupied, and used for an educational, religious, or charitable purpose or under IC 6-1.1-10-24, as amended by this act, if the application had been filed under IC 6-1.1-11 in a timely manner:

(1) the taxpayer is entitled to the exemptions from real property taxes or personal property taxes, or both, as claimed on the property tax exemption applications filed or refiled by the taxpayer under subsection (d); and

(2) the taxpayer is not required to pay any property taxes, penalties, or interest with respect to the exempt property.

(g) For its property to be exempt under this SECTION, the taxpayer must have received for an assessment date preceding or following any assessment date described in subsection (b) an exemption or partial exemption from property taxes for property identified by the same parcel or key numbers or the same parcel and key numbers included on the property tax exemption

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applications filed or refiled by the taxpayer under subsection (d).

(h) This SECTION expires January 1, 2013.

SECTION 56. [EFFECTIVE JANUARY 1, 2010 (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 the March 1, 2010, and March 1, 2011, assessment dates.

(c) As used in this SECTION, "taxpayer" refers to a corporation that:

(1) is a medical society with members who are predominantly physicians residing or practicing in the county or municipality where the property described in subsection (d) is located or an adjacent county;

(2) is exempt from federal income taxes under Section 501 of the Internal Revenue Code; and

(3) filed a timely exemption application from property taxation for eligible property described in subsection (d) for the March 1, 2010, assessment date.

(d) As used in this SECTION, "eligible property" means real and personal property owned by the taxpayer that:

(1) was granted a full or partial exemption from property taxation for the March 1, 2008, and March 1, 2009, assessment dates, regardless of the parcel or key numbers used to identify the property; and

(2) is occupied and predominantly used by the taxpayer or a nonprofit foundation affiliated with the taxpayer for the nonprofit purposes of the taxpayer or a nonprofit foundation affiliated with the taxpayer on an assessment date subject to this SECTION.

The term does not include areas or parts of property that are leased to a for-profit entity.

(e) A property tax exemption application referred to in subsection (c)(3) is allowed, regardless of the parcel or key numbers used to identify the property. The eligible property is considered tangible property owned, occupied, and used for the educational, scientific, or charitable purposes described in IC 6-1.1-10-16. Taxpayer's property tax exemption application referred to in subsection (c)(3) is considered to have been filed properly for an educational, scientific, or charitable use under IC 6-1.1-10-16. The property tax exemptions allowed by this SECTION shall be applied regardless of whether the taxpayer's

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exemption application referred to in subsection (c)(3) was granted or denied and regardless of whether or how any denials of the requested exemptions were appealed or otherwise challenged by the taxpayer.

(f) A taxpayer is entitled to a one hundred percent (100%) exemption under IC 6-1.1-10-16 from property taxation for the taxpayer's eligible property and is not required to pay property taxes, penalties, or interest with respect to the eligible property for the assessment dates described in subsection (b).

(g) The auditor of the county in which the property is located shall apply the exemption allowed by this SECTION based upon the taxpayer's exemption application referred to in subsection (c)(3) and any additional documents or materials provided by the taxpayer. The exemption allowed by this SECTION shall be applied without need of any further ruling or action by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review. Any actions by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review that are contrary to or inconsistent with the intent of this SECTION are invalid, null, and void.

(h) This SECTION expires December 31, 2012.

SECTION 57. [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 in 2010 or 2011.

(c) As used in this SECTION, "taxpayer" refers to an Indiana nonprofit corporation that:

(1) owns real property used as part of or in connection with a church, worship services, and other religious, educational, charitable, civic, or cultural activities;

(2) as of the assessment dates referred to in subsection (b), leases or rents part of the real property to another Indiana nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and classified as other than a private foundation under Section 509(a)(3) of the Internal Revenue Code, and the leased or rented property is used as a center for the arts, including using the leased or rented property for exhibit space, gallery

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events, and subleasing to artists and art support groups; and

(3) filed on or by May 17, 2010, an exemption application from property taxation for eligible property described in subsection (d) for the March 1, 2010, assessment date.

(d) As used in this SECTION, "eligible property" means real property owned by the taxpayer:

(1) that was granted a full or partial exemption from property taxation for an assessment date prior to the assessment dates referred to in subsection (b); and

(2) for which a one hundred percent (100%) real property tax exemption for the March 1, 2010, assessment date was denied.

(e) A property tax exemption application referred to in subsection (c)(3):

(1) is, subject to this SECTION, allowed; and

(2) is considered to have been timely and properly filed for a religious, educational, or charitable use under IC 6-1.1-10-16.

The eligible property is considered tangible property owned, occupied, and used for the religious, educational, or charitable purposes described in IC 6-1.1-10-16. The property tax exemption allowed by this SECTION shall be applied regardless of whether the taxpayer's exemption application referred to in subsection (c)(3) was granted or denied in whole or in part and regardless of whether or how any denials of the requested exemption were appealed or otherwise challenged by the taxpayer.

(f) A taxpayer is entitled to a one hundred percent (100%) exemption under IC 6-1.1-10-16 from property taxation for the taxpayer's eligible property and is not required to pay property taxes, penalties, or interest with respect to the eligible property for the assessment dates referred to in subsection (b). The exemption allowed by this SECTION shall be applied without the need for any further ruling or action by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review. Any actions by the county assessor or the county property tax assessment board of appeals of the county in which the property is located or by the Indiana board of tax review that are contrary to or inconsistent with the intent of this SECTION is invalid, null, and void.

(g) This SECTION expires December 31, 2012.

SECTION 58. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board" refers to the county property tax assessment board of appeals.**

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(b) This SECTION applies to an organization that:

(1) is located in a county containing a consolidated city;

(2) is dedicated to providing services to the community, including direct aid, nutrition assistance, job training and counseling, and safe, high-quality after-school activities;

(3) is not eligible for a property tax exemption under IC 6-1.1-10-16 and IC 6-1.1-10-24 for certain parcels of property for property taxes first due and payable in 2009, 2010, and 2011 because the entity failed to timely file an application under IC 6-1.1-11-3.5; and

(4) filed an application under IC 6-1.1-11 for exemption from property taxes first due and payable in 2007 on the same parcels of property, which exemption was approved by the board.

(c) An organization described in subsection (b) is entitled to an exemption from property taxes on the organizations's property for property taxes first due and payable in 2009, 2010, and 2011 in the same percentage approved by the board with respect to the organization's exemption application described in subsection (b)(4).

(d) The county shall return to the organization the title of any parcels of the organization's property that have been included in a tax sale under IC 6-1.1 and that are entitled to an exemption under subsection (c).

(e) This SECTION expires January 1, 2013.

SECTION 59. [EFFECTIVE UPON PASSAGE] **(a) The commission on state tax and financing policy established under IC 2-5-3 shall, during the 2011 legislative interim, study issues concerning standards for determining when a cooperative housing corporation is eligible for a property tax standard deduction or a property tax circuit breaker credit.**

(b) Before November 1, 2011, the commission on state tax and financing policy shall report its findings and any recommendations concerning the study topic described in subsection (a) in a final report to the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires January 1, 2012.

SECTION 60. [EFFECTIVE UPON PASSAGE] **(a) IC 36-7-14, as amended by this act, applies to an obligation entered into or incurred by a redevelopment commission after June 30, 2011.**

(b) IC 36-7-14-25.1, as amended by this act, applies to bonds for which a bond resolution is adopted after June 30, 2011.

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(c) IC 36-7-14-25.2, as amended by this act, applies to a lease for which a public hearing is held under IC 36-7-14-25.2(c) after June 30, 2011.

(d) IC 36-7-14-27, as amended by this act, applies to warrants issued after June 30, 2011.

(e) This SECTION expires July 1, 2012.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1244 as printed February 1, 2011.)

KENLEY, Chairperson

Committee Vote: Yeas 12, Nays 0.

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