
SENATE BILL No. 531

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 33-26-8; IC 36-2-7-13; IC 36-6-8-5; IC 36-7.

Synopsis: Real property reassessment. Requires the county assessor of each county before January 1, 2012, to prepare and submit to the department of local government finance (DLGF) a reassessment plan for the county that first applies for the assessment date in 2013. Specifies that the reassessment plan is subject to approval by the DLGF. Provides that the reassessment plan must divide all parcels of real property in the county into different groups of parcels. Requires that each group of parcels must contain at least 25% of the parcels within each class of real property in the county. Requires the assessor to mail notice of assessment within 90 days after the assessor completes the appraisal of a parcel or receives a report for a parcel from a professional appraiser or professional appraisal firm. Establishes procedures for taxpayers to petition the DLGF for reassessment of parcels in a group and a schedule for completion of reassessment of parcels in a group.

Effective: July 1, 2011; January 1, 2012.

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January 18, 2011, read first time and referred to Committee on Appropriations.

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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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SENATE BILL No. 531



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

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

1 SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 4. (a) A general reassessment, involving a
4 physical inspection of all real property in Indiana, shall begin July 1,
5 2010. ~~and each fifth year thereafter.~~ Each **The** reassessment under this
6 subsection:

7 (1) shall be completed on or before March 1, ~~of the year that~~
8 ~~succeeds by two (2) years the year in which the general~~
9 ~~reassessment begins;~~ **2012**; and

10 (2) shall be the basis for taxes payable in ~~the year following the~~
11 ~~year in which the general assessment is to be completed.~~ **2013.**

12 (b) In order to ensure that assessing officials are prepared for a
13 general reassessment of real property, the department of local
14 government finance shall give adequate advance notice of the general
15 reassessment to the assessing officials of each county.

16 (c) ~~For a general reassessment that begins on or after July 1, 2010,~~
17 ~~the assessed value of real property shall be based on the estimated true~~



1 tax value of the property on the assessment date that is the basis for
 2 taxes payable in the year following the year in which the general
 3 reassessment is to be completed:

4 SECTION 2. IC 6-1.1-4-4.2 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2011]: **Sec. 4.2. (a) The county assessor of each county shall,**
 7 **before January 1, 2012, prepare and submit to the department of**
 8 **local government finance a reassessment plan for the county. The**
 9 **following apply to a reassessment plan prepared and submitted**
 10 **under this section:**

11 (1) The reassessment plan is subject to approval by the
 12 department of local government finance.

13 (2) The department of local government finance shall
 14 determine the classes of real property to be used for purposes
 15 of this section.

16 (3) Except as provided in subsection (b), the reassessment plan
 17 must divide all parcels of real property in the county into four
 18 (4) different groups of parcels. Each group of parcels must
 19 contain approximately twenty-five percent (25%) of the
 20 parcels within each class of real property in the county.

21 (4) Except as provided in subsection (b), all real property in
 22 each group of parcels shall be reassessed under the county's
 23 reassessment plan once during each four (4) year cycle.

24 (5) The reassessment of a group of parcels in a particular
 25 class of real property shall begin on July 1 of a year.

26 (6) The reassessment of parcels:

27 (A) must include a physical inspection of each parcel of
 28 real property in the group of parcels that is being
 29 reassessed; and

30 (B) shall be completed on or before March 1 of the year
 31 after the year in which the reassessment of the group of
 32 parcels begins.

33 (7) For real property included in a group of parcels that is
 34 reassessed, the reassessment is the basis for taxes payable in
 35 the year following the year in which the reassessment is to be
 36 completed.

37 (b) A county may submit a reassessment plan that provides for
 38 reassessing more than twenty-five percent (25%) of all parcels of
 39 real property in the county in a particular year. A plan may
 40 provide that all parcels are to be reassessed in one (1) year.
 41 However, a plan must cover a four (4) year period and provide that
 42 at least twenty-five percent (25%) of all parcels will be reassessed

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1 each year during the four (4) year period. Each group of parcels
2 must contain approximately an equal percentage of the parcels
3 within each class of real property in the county. All real property
4 in each group of parcels shall be reassessed under the county's
5 reassessment plan once during each reassessment cycle.

6 (c) The reassessment of the first group of parcels under a
7 county's reassessment plan shall begin on July 1, 2012, and shall be
8 completed on or before March 1, 2013.

9 SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2010,
10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JANUARY 1, 2012]: Sec. 4.5. (a) The department of local government
12 finance shall adopt rules establishing a system for annually adjusting
13 the assessed value of real property to account for changes in value in
14 those years since a ~~general~~ reassessment of **under section 4 or 4.2 of**
15 **this chapter for the** property last took effect.

16 (b) Subject to subsection (e), the system must be applied to adjust
17 assessed values beginning with the 2006 assessment date and each year
18 thereafter that is not a year in which a reassessment **under section 4 or**
19 **4.2 of this chapter for the property** becomes effective.

20 (c) The rules adopted under subsection (a) must include the
21 following characteristics in the system:

22 (1) Promote uniform and equal assessment of real property within
23 and across classifications.

- 24 (2) Require that assessing officials:
25 (A) reevaluate the factors that affect value;
26 (B) express the interactions of those factors mathematically;
27 (C) use mass appraisal techniques to estimate updated property
28 values within statistical measures of accuracy; and
29 (D) provide notice to taxpayers of an assessment increase that
30 results from the application of annual adjustments.

31 (3) Prescribe procedures that permit the application of the
32 adjustment percentages in an efficient manner by assessing
33 officials.

34 (d) The department of local government finance must review and
35 certify each annual adjustment determined under this section.

36 (e) In making the annual determination of the base rate to satisfy the
37 requirement for an annual adjustment under subsection (c) for current
38 property taxes first due and payable in 2011 and thereafter, the
39 department of local government finance shall determine the base rate
40 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of
41 the department of local government finance's Real Property Assessment
42 Guidelines (as in effect on January 1, 2005), except that the department

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1 shall adjust the methodology to:

2 (1) use a six (6) year rolling average adjusted under subdivision

3 (2) instead of a four (4) year rolling average; and

4 (2) eliminate in the calculation of the rolling average the year

5 among the six (6) years for which the highest market value in use

6 of agricultural land is determined.

7 (f) For assessment dates after December 31, 2009, an adjustment in

8 the assessed value of real property under this section shall be based on

9 the estimated true tax value of the property on the assessment date that

10 is the basis for taxes payable on that real property.

11 SECTION 4. IC 6-1.1-4-5, AS AMENDED BY P.L.113-2010,

12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

13 JANUARY 1, 2012]: Sec. 5. (a) A petition for the reassessment of a

14 real property **subject to reassessment under section 4 of this chapter**

15 situated within a township may be filed with the department of local

16 government finance on or before March 31st of any year which is not

17 a general election year and in which no general reassessment of real

18 property is made. A petition for reassessment of real property applies

19 only to the most recent real property assessment date.

20 (b) The petition for reassessment must be signed by not less than the

21 following percentage of all the owners of taxable real property who

22 reside in the township:

23 (1) fifteen percent (15%) for a township which does not contain

24 an incorporated city or town;

25 (2) five percent (5%) for a township containing all or part of an

26 incorporated city or town which has a population of five thousand

27 (5,000) or less;

28 (3) four percent (4%) for a township containing all or part of an

29 incorporated city which has a population of more than five

30 thousand (5,000) but not exceeding ten thousand (10,000);

31 (4) three percent (3%) for a township containing all or part of an

32 incorporated city which has a population of more than ten

33 thousand (10,000) but not exceeding fifty thousand (50,000);

34 (5) two percent (2%) for a township containing all or part of an

35 incorporated city which has a population of more than fifty

36 thousand (50,000) but not exceeding one hundred fifty thousand

37 (150,000); or

38 (6) one percent (1%) for a township containing all or part of an

39 incorporated city which has a population of more than one

40 hundred fifty thousand (150,000).

41 The signatures on the petition must be verified by the oath of one (1)

42 or more of the signers. A certificate of the county auditor stating that

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1 the signers constitute the required number of resident owners of taxable
2 real property of the township must accompany the petition.

3 (c) Upon receipt of a petition under subsection (a), the department
4 of local government finance may order a reassessment under section 9
5 of this chapter or conduct a reassessment under section 31.5 of this
6 chapter.

7 SECTION 5. IC 6-1.1-4-5.5 IS ADDED TO THE INDIANA CODE
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2012]: **Sec. 5.5. (a) A petition for the reassessment of
10 a real property group designated under a county's reassessment
11 plan prepared under section 4.2 of this chapter may be filed with
12 the department of local government finance not later than
13 forty-five (45) days after notice of assessment. A petition for
14 reassessment of real property applies only to the most recent real
15 property assessment date.**

16 (b) **The petition for reassessment must be signed by the lesser of
17 one hundred (100) owners of parcels in the group or five percent
18 (5%) of owners of parcels in the group. The signatures on the
19 petition must be verified by the oath of one (1) or more of the
20 signers. A certificate of the county auditor stating that the signers
21 constitute the required number of owners of taxable real property
22 in the group of parcels must accompany the petition.**

23 (c) **Upon receipt of a petition under subsection (a), the
24 department of local government finance may order a reassessment
25 under section 9 of this chapter or conduct a reassessment under
26 section 31.5 of this chapter.**

27 SECTION 6. IC 6-1.1-4-6 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. If the
29 department of local government finance determines that a petition filed
30 under section 5 or 5.5 of this chapter has been signed by the required
31 number of petitioners and that the present assessed value of any real
32 property is inequitable, the department of local government finance
33 shall order a reassessment of the real property ~~which has been~~
34 ~~inequitably assessed.~~ **for which the petition was filed.** The order shall
35 specify the time within which the reassessment shall be completed and
36 the date on which the reassessment shall become effective.

37 SECTION 7. IC 6-1.1-4-9 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. In order to
39 maintain a just and equitable valuation of real property, the department
40 of local government finance may adopt a resolution declaring its belief
41 that it is necessary to reassess all or a portion of the real property
42 located within this state. If the department of local government finance

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1 adopts a reassessment resolution and if either a township or a larger
 2 area is involved (**for assessments before March 1, 2013**) or **one (1)**
 3 **or more groups of parcels under the county's reassessment plan**
 4 **are involved (for assessments after February 28, 2013)**, the
 5 department shall hold a hearing concerning the necessity for the
 6 reassessment at the courthouse of the county in which the property is
 7 located. The department of local government finance shall give notice
 8 of the time and place of the hearing in the manner provided in section
 9 10 of this chapter. After the hearing, or if the area involved is less than
 10 a township (**for assessments before March 1, 2013**) or **is less than**
 11 **one (1) group of parcels under the county's reassessment plan (for**
 12 **assessments after February 28, 2013)**, after the adoption of the
 13 resolution of the department of local government finance, the
 14 department may order any reassessment it deems necessary. The order
 15 shall specify the time within which the reassessment must be
 16 completed and the date the reassessment will become effective.

17 SECTION 8. IC 6-1.1-4-12.4, AS AMENDED BY P.L.146-2008,
 18 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2012]: Sec. 12.4. (a) For purposes of this section, the
 20 term "oil or gas interest" includes but is not limited to:

- 21 (1) royalties;
- 22 (2) overriding royalties;
- 23 (3) mineral rights; or
- 24 (4) working interest;

25 in any oil or gas located on or beneath the surface of land which lies
 26 within this state.

27 (b) Oil or gas interest is subject to assessment and taxation as real
 28 property. Notwithstanding section 4 or 4.2 of this chapter, each oil or
 29 gas interest shall be assessed annually by the assessor of the township
 30 in which the oil or gas is located, or the county assessor if there is no
 31 township assessor for the township. The township or county assessor
 32 shall assess the oil or gas interest to the person who owns or operates
 33 the interest.

34 (c) A piece of equipment is an appurtenance to land if it is incident
 35 to and necessary for the production of oil and gas from the land
 36 covered by the oil or gas interest. This equipment includes but is not
 37 limited to wells, pumping units, lines, treaters, separators, tanks, and
 38 secondary recovery facilities. These appurtenances are subject to
 39 assessment as real property. Notwithstanding section 4 or 4.2 of this
 40 chapter, each of these appurtenances shall be assessed annually by the
 41 assessor of the township in which the appurtenance is located, or the
 42 county assessor if there is no township assessor for the township. The

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1 township or county assessor shall assess the appurtenance to the person
2 who owns or operates the working interest in the oil or gas interest.

3 SECTION 9. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008,
4 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2012]: Sec. 16. (a) For purposes of making a ~~general~~
6 reassessment of real property **under section 4 or 4.2 of this chapter**
7 or annual adjustments under section 4.5 of this chapter, a township
8 assessor (if any) and a county assessor may employ:

- 9 (1) deputies;
10 (2) employees; and
11 (3) technical advisors who are:
12 (A) qualified to determine real property values;
13 (B) professional appraisers certified under 50 IAC 15; and
14 (C) employed either on a full-time or a part-time basis, subject
15 to sections 18.5 and 19.5 of this chapter.

16 (b) The county council of each county shall appropriate the funds
17 necessary for the employment of deputies, employees, or technical
18 advisors employed under subsection (a) of this section.

19 SECTION 10. IC 6-1.1-4-17, AS AMENDED BY P.L.182-2009(ss),
20 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JANUARY 1, 2012]: Sec. 17. (a) Subject to the approval of the
22 department of local government finance and the requirements of
23 section 18.5 of this chapter, a county assessor may employ professional
24 appraisers as technical advisors for assessments in all townships in the
25 county. The department of local government finance may approve
26 employment under this subsection only if the department is a party to
27 the employment contract and any addendum to the employment
28 contract.

29 (b) A decision by a county assessor to not employ a professional
30 appraiser as a technical advisor in a ~~general~~ reassessment **under**
31 **section 4 or 4.2 of this chapter** is subject to approval by the
32 department of local government finance.

33 (c) As used in this chapter, "professional appraiser" means an
34 individual or firm that is certified under IC 6-1.1-31.7.

35 SECTION 11. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008,
36 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JANUARY 1, 2012]: Sec. 20. The department of local government
38 finance may establish a period, with respect to each ~~general~~
39 reassessment **under section 4 or 4.2 of this chapter**, that is the only
40 time during which a county assessor may enter into a contract with a
41 professional appraiser. ~~The period set by the department of local~~
42 ~~government finance may not begin before January 1 of the year the~~

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1 general reassessment begins. If no period is established by the
2 department of local government finance, a county assessor may enter
3 into such a contract only on or after January 1 and before April 16 of
4 the year in which the general reassessment is to commence.

5 SECTION 12. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008,
6 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2011]: Sec. 21. (a) If during a period of general reassessment
8 **under section 4 of this chapter** a county assessor personally makes
9 the real property appraisals, the appraisals of the parcels subject to
10 taxation must be completed as follows:

11 (1) The appraisal of one-fourth (1/4) of the parcels shall be
12 completed before December 1 of the year in which the general
13 reassessment begins.

14 (2) The appraisal of one-half (1/2) of the parcels shall be
15 completed before May 1 of the year following the year in which
16 the general reassessment begins.

17 (3) The appraisal of three-fourths (3/4) of the parcels shall be
18 completed before October 1 of the year following the year in
19 which the general reassessment begins.

20 (4) The appraisal of all the parcels shall be completed before
21 March 1 of the second year following the year in which the
22 general reassessment begins.

23 (b) If a county assessor employs a professional appraiser or a
24 professional appraisal firm to make real property appraisals during a
25 period of general reassessment, the professional appraiser or appraisal
26 firm must file appraisal reports with the county assessor as follows:

27 (1) The appraisals for one-fourth (1/4) of the parcels shall be
28 reported before December 1 of the year in which the general
29 reassessment begins.

30 (2) The appraisals for one-half (1/2) of the parcels shall be
31 reported before May 1 of the year following the year in which the
32 general reassessment begins.

33 (3) The appraisals for three-fourths (3/4) of the parcels shall be
34 reported before October 1 of the year following the year in which
35 the general reassessment begins.

36 (4) The appraisals for all the parcels shall be reported before
37 March 1 of the second year following the year in which the
38 general reassessment begins.

39 However, the reporting requirements prescribed in this subsection do
40 not apply if the contract under which the professional appraiser, or
41 appraisal firm, is employed prescribes different reporting procedures.

42 SECTION 13. IC 6-1.1-4-21.4 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2011]: **Sec. 21.4. (a) The appraisals of the**
3 **parcels in a group under a county's reassessment plan prepared**
4 **under section 4.2 of this chapter that are subject to taxation must**
5 **be completed as follows:**

6 (1) **The appraisal of one-third (1/3) of the parcels shall be**
7 **completed before October 1 of the year in which the group's**
8 **reassessment under the county reassessment plan begins.**

9 (2) **The appraisal of two-thirds (2/3) of the parcels shall be**
10 **completed before January 1 of the year following the year in**
11 **which the group's reassessment under the county**
12 **reassessment plan begins.**

13 (3) **The appraisal of all the parcels shall be completed before**
14 **March 1 of the year following the year in which the group's**
15 **reassessment under the county reassessment plan begins.**

16 (b) **If a county assessor employs a professional appraiser or a**
17 **professional appraisal firm to make real property appraisals of a**
18 **group of parcels under a county's reassessment plan, the**
19 **professional appraiser or appraisal firm must file appraisal reports**
20 **with the county assessor by the dates set forth in subsection (a).**
21 **However, the reporting requirements prescribed in this subsection**
22 **do not apply if the contract under which the professional appraiser**
23 **or appraisal firm is employed prescribes different reporting**
24 **procedures.**

25 SECTION 14. IC 6-1.1-4-22, AS AMENDED BY P.L.136-2009,
26 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2012]: **Sec. 22. (a) If any assessing official assesses or**
28 **reassesses any real property under this article, the official shall give**
29 **notice to the taxpayer and the county assessor, by mail, of the amount**
30 **of the assessment or reassessment.**

31 (b) ~~During a period of general reassessment,~~ Each township or
32 county assessor shall mail the notice required by this section within
33 ninety (90) days after the assessor:

- 34 (1) completes the appraisal of a parcel; or
- 35 (2) receives a report for a parcel from a professional appraiser or
36 professional appraisal firm.

37 (c) The notice required by this section must include notice to the
38 person of the opportunity to appeal the assessed valuation under
39 IC 6-1.1-15-1.

40 (d) Notice of the opportunity to appeal the assessed valuation
41 required under subsection (c) must include the following:

- 42 (1) The procedure that a taxpayer must follow to appeal the

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1 assessment or reassessment.
 2 (2) The forms that must be filed for an appeal of the assessment
 3 or reassessment.
 4 (3) Notice that an appeal of the assessment or reassessment
 5 requires evidence relevant to the true tax value of the taxpayer's
 6 property as of the assessment date.
 7 SECTION 15. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
 8 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JANUARY 1, 2012]: Sec. 27.5. (a) The auditor of each county shall
 10 establish a property reassessment fund. The county treasurer shall
 11 deposit all collections resulting from the property taxes that the county
 12 levies for the county's property reassessment fund.
 13 (b) With respect to the general reassessment of real property that is
 14 to commence on July 1, 2009, the county council of each county shall,
 15 for property taxes due in 2006, 2007, 2008, and 2009, levy in each year
 16 against all the taxable property in the county an amount equal to
 17 one-fourth (1/4) of the remainder of:
 18 (1) the estimated costs referred to in section 28.5(a) of this
 19 chapter; minus
 20 (2) the amount levied under this section by the county council for
 21 property taxes due in 2004 and 2005.
 22 (c) With respect to a ~~general~~ reassessment of real property ~~that is to~~
 23 ~~commence on July 1, 2014, and each fifth year thereafter, under a~~
 24 **county's reassessment plan under section 4.2 of this chapter**, the
 25 county council of each county shall, for property taxes due ~~in the year~~
 26 ~~that the general reassessment is to commence and the four (4) years~~
 27 ~~preceding that each~~ year, levy against all the taxable property in the
 28 county an amount equal to ~~one-fifth (1/5)~~ of the estimated costs of the
 29 ~~general~~ reassessment under section 28.5 of this chapter **for the group**
 30 **of parcels to be reassessed in that year.**
 31 (d) The department of local government finance shall give to each
 32 county council notice, before January 1 in a year, of the tax levies
 33 required by this section for that year.
 34 (e) The department of local government finance may raise or lower
 35 the property tax levy under this section for a year if the department
 36 determines it is appropriate because the estimated cost of:
 37 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**
 38 **under a county's reassessment plan prepared under section**
 39 **4.2 of this chapter; or**
 40 (2) making annual adjustments under section 4.5 of this chapter;
 41 has changed.
 42 (f) The county assessor may petition the county fiscal body to

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- 1 increase the levy under subsection (b) or (c) to pay for the costs of:
- 2 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**
- 3 **under a county's reassessment plan prepared under section**
- 4 **4.2 of this chapter;**
- 5 (2) verification under 50 IAC 21-3-2 of sales disclosure forms
- 6 forwarded to the county assessor under IC 6-1.1-5.5-3; or
- 7 (3) processing annual adjustments under section 4.5 of this
- 8 chapter.

9 The assessor must document the needs and reasons for the increased
10 funding.

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

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

16 SECTION 16. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,
17 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2012]: Sec. 28.5. (a) Money assigned to a property
19 reassessment fund under section 27.5 of this chapter may be used only
20 to pay the costs of:

- 21 (1) the general reassessment of real property **under section 4 of**
- 22 **this chapter or reassessment of one (1) or more groups of**
- 23 **parcels under a county's reassessment plan prepared under**
- 24 **section 4.2 of this chapter**, including the computerization of
- 25 assessment records;
- 26 (2) payments to assessing officials and hearing officers for county
- 27 property tax assessment boards of appeals under IC 6-1.1-35.2;
- 28 (3) the development or updating of detailed soil survey data by
- 29 the United States Department of Agriculture or its successor
- 30 agency;
- 31 (4) the updating of plat books;
- 32 (5) payments for the salary of permanent staff or for the
- 33 contractual services of temporary staff who are necessary to assist
- 34 assessing officials;
- 35 (6) making annual adjustments under section 4.5 of this chapter;
- 36 and
- 37 (7) the verification under 50 IAC 21-3-2 of sales disclosure forms
- 38 forwarded to:
- 39 (A) the county assessor; or
- 40 (B) township assessors (if any);
- 41 under IC 6-1.1-5.5-3.

42 Money in a property tax reassessment fund may not be transferred or

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1 reassigned to any other fund and may not be used for any purposes
2 other than those set forth in this section.

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

5 (c) The county treasurer of each county shall, in accordance with
6 IC 5-13-9, invest any money accumulated in the property reassessment
7 fund. Any interest received from investment of the money shall be paid
8 into the property reassessment fund.

9 (d) An appropriation under this section must be approved by the
10 fiscal body of the county after the review and recommendation of the
11 county assessor. However, in a county with a township assessor in
12 every township, the county assessor does not review an appropriation
13 under this section, and only the fiscal body must approve an
14 appropriation under this section.

15 SECTION 17. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008,
16 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JANUARY 1, 2012]: Sec. 29. (a) The expenses of a reassessment,
18 except those incurred by the department of local government finance
19 in performing its normal functions, shall be paid by the county in which
20 the reassessed property is situated. These expenses, except for the
21 expenses of:

22 (1) a general reassessment of real property under section 4 of
23 this chapter; or

24 (2) reassessments of a groups of parcels under a county's
25 reassessment plan prepared under section 4.2 of this chapter;
26 shall be paid from county funds. The county auditor shall issue
27 warrants for the payment of reassessment expenses. No prior
28 appropriations are required in order for the auditor to issue warrants.

29 (b) An order of the department of local government finance
30 directing the reassessment of property shall contain an estimate of the
31 cost of making the reassessment. The assessing officials in the county,
32 the county property tax assessment board of appeals, and the county
33 auditor may not exceed the amount so estimated by the department of
34 local government finance.

35 SECTION 18. IC 6-1.1-4-30 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 30. (a) In making
37 any assessment or reassessment of real property in the interim between
38 general reassessments **under section 4 of this chapter** the rules,
39 regulations, and standards for assessment are the same as those used in
40 the preceding general reassessment.

41 (b) **In making any assessment or reassessment of real property**
42 **between reassessments of that real property under a county's**

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1 **reassessment plan prepared under section 4.2 of this chapter, the**
2 **rules, regulations, and standards for assessment are the same as**
3 **those used for that real property in the preceding reassessment of**
4 **that group of parcels under a county's reassessment plan.**

5 SECTION 19. IC 6-1.1-4-31, AS AMENDED BY P.L.113-2010,
6 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2012]: Sec. 31. (a) The department of local government
8 finance shall periodically check the conduct of:

- 9 (1) a general reassessment **of property under section 4 of this**
10 **chapter;**
- 11 **(2) reassessments of a group of parcels under a county's**
12 **reassessment plan prepared under section 4.2 of this chapter;**
- 13 ~~(2) (3) work required to be performed by local officials under 50~~
14 ~~IAC 21; and~~
- 15 ~~(3) (4) other property assessment activities in the county, as~~
16 ~~determined by the department.~~

17 The department of local government finance may inform township
18 assessors (if any), county assessors, and the presidents of county
19 councils in writing if its check reveals that the general reassessment or
20 other property assessment activities are not being properly conducted,
21 work required to be performed by local officials under 50 IAC 21 is not
22 being properly conducted, or property assessments are not being
23 properly made.

24 (b) The failure of the department of local government finance to
25 inform local officials under subsection (a) shall not be construed as an
26 indication by the department that:

- 27 (1) the general reassessment **under section 4 of this chapter, a**
28 **reassessment of a group of parcels under a county's**
29 **reassessment plan prepared under section 4.2 of this chapter,**
30 or other property assessment activities are being properly
31 conducted;
- 32 (2) work required to be performed by local officials under 50
33 IAC 21 is being properly conducted; or
- 34 (3) property assessments are being properly made.

35 (c) If the department of local government finance:

- 36 (1) determines under subsection (a) that a general reassessment
37 **under section 4 of this chapter, a reassessment of a group of**
38 **parcels under a county's reassessment plan prepared under**
39 **section 4.2 of this chapter,** or other assessment activities ~~for a~~
40 ~~general reassessment year or any other year~~ are not being properly
41 conducted; and
- 42 (2) informs:

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1 (A) the township assessor (if any) of each affected township;
 2 (B) the county assessor; and
 3 (C) the president of the county council;
 4 in writing under subsection (a);
 5 the department may order a state conducted assessment or reassessment
 6 under section 31.5 of this chapter to begin not less than sixty (60) days
 7 after the date of the notice under subdivision (2).
 8 (d) If the department of local government finance:
 9 (1) determines under subsection (a) that work required to be
 10 performed by local officials under 50 IAC 21 is not being
 11 properly conducted; and
 12 (2) informs:
 13 (A) the township assessor of each affected township (if any);
 14 (B) the county assessor; and
 15 (C) the president of the county council;
 16 in writing under subsection (a);
 17 the department may conduct the work or contract to have the work
 18 conducted to begin not less than sixty (60) days after the date of the
 19 notice under subdivision (2). If the department determines during the
 20 period between the date of the notice under subdivision (2) and the
 21 proposed date for beginning the work or having the work conducted
 22 that work required to be performed by local officials under 50 IAC 21
 23 is being properly conducted, the department may rescind the order.
 24 (e) If the department of local government finance contracts to have
 25 work conducted under subsection (d), the department shall forward the
 26 bill for the services to the county and the county shall pay the bill under
 27 the same procedures that apply to county payments of bills for
 28 assessment or reassessment services under section 31.5 of this chapter.
 29 (f) A county council president who is informed by the department
 30 of local government finance under subsection (a) shall provide the
 31 information to the board of county commissioners. A board of county
 32 commissioners that receives information under this subsection may
 33 adopt an ordinance to do either or both of the following:
 34 (1) Determine that:
 35 (A) the information indicates that the county assessor has
 36 failed to perform adequately the duties of county assessor; and
 37 (B) by that failure the county assessor forfeits the office of
 38 county assessor and is subject to removal from office by an
 39 information filed under IC 34-17-2-1(b).
 40 (2) Determine that:
 41 (A) the information indicates that one (1) or more township
 42 assessors in the county have failed to perform adequately the

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1 duties of township assessor; and
 2 (B) by that failure the township assessor or township assessors
 3 forfeit the office of township assessor and are subject to
 4 removal from office by an information filed under
 5 IC 34-17-2-1(b).

6 (g) A city-county council that is informed by the department of local
 7 government finance under subsection (a) may adopt an ordinance
 8 making the determination or determinations referred to in subsection
 9 (f).

10 SECTION 20. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008,
 11 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2012]: Sec. 31.5. (a) As used in this section,
 13 "department" refers to the department of local government finance.

14 (b) If the department makes a determination and informs local
 15 officials under section 31(c) of this chapter, the department may order
 16 a state conducted assessment or reassessment in the county subject to
 17 the time limitation in that subsection.

18 (c) If the department orders a state conducted assessment or
 19 reassessment in a county, the department shall assume the duties of the
 20 county assessor. Notwithstanding sections 15 and 17 of this chapter, a
 21 county assessor subject to an order issued under this section may not
 22 assess property or have property assessed for the assessment or general
 23 reassessment **under section 4 of this chapter or under a county's**
 24 **reassessment plan prepared under section 4.2 of this chapter.** Until
 25 the state conducted assessment or reassessment is completed under this
 26 section, the assessment or reassessment duties of the county assessor
 27 are limited to providing the department or a contractor of the
 28 department the support and information requested by the department
 29 or the contractor.

30 (d) Before assuming the duties of a county assessor, the department
 31 shall transmit a copy of the department's order requiring a state
 32 conducted assessment or reassessment to the county assessor, the
 33 county fiscal body, the county auditor, and the county treasurer. Notice
 34 of the department's actions must be published one (1) time in a
 35 newspaper of general circulation published in the county. The
 36 department is not required to conduct a public hearing before taking
 37 action under this section.

38 (e) A county assessor subject to an order issued under this section
 39 shall, at the request of the department or the department's contractor,
 40 make available and provide access to all:

- 41 (1) data;
- 42 (2) records;

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1 (3) maps;
 2 (4) parcel record cards;
 3 (5) forms;
 4 (6) computer software systems;
 5 (7) computer hardware systems; and
 6 (8) other information;
 7 related to the assessment or reassessment of real property in the county.
 8 The information described in this subsection must be provided at no
 9 cost to the department or the contractor of the department. A failure to
 10 provide information requested under this subsection constitutes a
 11 failure to perform a duty related to an assessment or a general
 12 reassessment **under section 4 of this chapter or under a county's**
 13 **reassessment plan prepared under section 4.2 of this chapter** and
 14 is subject to IC 6-1.1-37-2.
 15 (f) The department may enter into a contract with a professional
 16 appraising firm to conduct an assessment or reassessment under this
 17 section. If a county entered into a contract with a professional
 18 appraising firm to conduct the county's assessment or reassessment
 19 before the department orders a state conducted assessment or
 20 reassessment in the county under this section, the contract:
 21 (1) is as valid as if it had been entered into by the department; and
 22 (2) shall be treated as the contract of the department.
 23 (g) After receiving the report of assessed values from the appraisal
 24 firm acting under a contract described in subsection (f), the department
 25 shall give notice to the taxpayer and the county assessor, by mail, of the
 26 amount of the assessment or reassessment. The notice of assessment or
 27 reassessment:
 28 (1) is subject to appeal by the taxpayer under section 31.7 of this
 29 chapter; and
 30 (2) must include a statement of the taxpayer's rights under section
 31 31.7 of this chapter.
 32 (h) The department shall forward a bill for services provided under
 33 a contract described in subsection (f) to the auditor of the county in
 34 which the state conducted reassessment occurs. The county shall pay
 35 the bill under the procedures prescribed by subsection (i).
 36 (i) A county subject to an order issued under this section shall pay
 37 the cost of a contract described in subsection (f), without appropriation,
 38 from the county property reassessment fund. A contractor may
 39 periodically submit bills for partial payment of work performed under
 40 the contract. Notwithstanding any other law, a contractor is entitled to
 41 payment under this subsection for work performed under a contract if
 42 the contractor:

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- 1 (1) submits to the department a fully itemized, certified bill in the
- 2 form required by IC 5-11-10-1 for the costs of the work performed
- 3 under the contract;
- 4 (2) obtains from the department:
 - 5 (A) approval of the form and amount of the bill; and
 - 6 (B) a certification that the billed goods and services have been
 - 7 received and comply with the contract; and
- 8 (3) files with the county auditor:
 - 9 (A) a duplicate copy of the bill submitted to the department;
 - 10 (B) proof of the department's approval of the form and amount
 - 11 of the bill; and
 - 12 (C) the department's certification that the billed goods and
 - 13 services have been received and comply with the contract.

14 The department's approval and certification of a bill under subdivision
 15 (2) shall be treated as conclusively resolving the merits of a contractor's
 16 claim. Upon receipt of the documentation described in subdivision (3),
 17 the county auditor shall immediately certify that the bill is true and
 18 correct without further audit and submit the claim to the county
 19 executive. The county executive shall allow the claim, in full, as
 20 approved by the department, without further examination of the merits
 21 of the claim in a regular or special session that is held not less than
 22 three (3) days and not more than seven (7) days after the date the claim
 23 is certified by the county fiscal officer if the procedures in IC 5-11-10-2
 24 are used to approve the claim or the date the claim is placed on the
 25 claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are
 26 used to approve the claim. Upon allowance of the claim by the county
 27 executive, the county auditor shall immediately issue a warrant or
 28 check for the full amount of the claim approved by the department.
 29 Compliance with this subsection constitutes compliance with
 30 IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and
 31 payment of a claim in compliance with this subsection is not subject to
 32 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply
 33 to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies
 34 to a fiscal officer who pays a claim in compliance with this subsection.

35 (j) Notwithstanding IC 4-13-2, a period of seven (7) days is
 36 permitted for each of the following to review and act under IC 4-13-2
 37 on a contract of the department entered into under this section:

- 38 (1) The commissioner of the Indiana department of
- 39 administration.
- 40 (2) The director of the budget agency.
- 41 (3) The attorney general.

42 (k) If money in the county's property reassessment fund is

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1 insufficient to pay for an assessment or reassessment conducted under
2 this section, the department may increase the tax rate and tax levy of
3 the county's property reassessment fund to pay the cost and expenses
4 related to the assessment or reassessment.

5 (l) The department or the contractor of the department shall use the
6 land values determined under section 13.6 of this chapter for a county
7 subject to an order issued under this section to the extent that the
8 department or the contractor finds that the land values reflect the true
9 tax value of land, as determined under this article and the rules of the
10 department. If the department or the contractor finds that the land
11 values determined for the county under section 13.6 of this chapter do
12 not reflect the true tax value of land, the department or the contractor
13 shall determine land values for the county that reflect the true tax value
14 of land, as determined under this article and the rules of the
15 department. Land values determined under this subsection shall be
16 used to the same extent as if the land values had been determined under
17 section 13.6 of this chapter. The department or the contractor of the
18 department shall notify the county's assessing officials of the land
19 values determined under this subsection.

20 (m) A contractor of the department may notify the department if:
21 (1) a county auditor fails to:
22 (A) certify the contractor's bill;
23 (B) publish the contractor's claim;
24 (C) submit the contractor's claim to the county executive; or
25 (D) issue a warrant or check for payment of the contractor's
26 bill;
27 as required by subsection (i) at the county auditor's first legal
28 opportunity to do so;
29 (2) a county executive fails to allow the contractor's claim as
30 legally required by subsection (i) at the county executive's first
31 legal opportunity to do so; or
32 (3) a person or an entity authorized to act on behalf of the county
33 takes or fails to take an action, including failure to request an
34 appropriation, and that action or failure to act delays or halts
35 progress under this section for payment of the contractor's bill.

36 (n) The department, upon receiving notice under subsection (m)
37 from a contractor of the department, shall:
38 (1) verify the accuracy of the contractor's assertion in the notice
39 that:
40 (A) a failure occurred as described in subsection (m)(1) or
41 (m)(2); or
42 (B) a person or an entity acted or failed to act as described in

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subsection (m)(3); and
(2) provide to the treasurer of state the department's approval under subsection (i)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (m).

(o) Upon receipt of the department's approval of a contractor's bill under subsection (n), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions of admissions taxes or wagering taxes.

(p) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a county described in a notice provided under subsection (m) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (o). Money shall be withheld from any source payable to the county.

(q) Compliance with subsections (m) through (p) constitutes compliance with IC 5-11-10.

(r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (m) through (p). This subsection and subsections (m) through (p) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(s) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 21. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) For purposes of: ~~the~~

- (1) a general reassessment under IC 6-1.1-4-4;
- (2) a reassessment of a group of parcels under a county's reassessment plan prepared under IC 6-1.1-4-4.2; or
- (3) a new assessment;

the department of local government finance shall assess each industrial facility in a qualifying county.

(b) The following may not assess an industrial facility in a qualifying county:

- (1) A county assessor.
- (2) An assessing official.
- (3) A county property tax assessment board of appeals.

SECTION 22. IC 6-1.1-8.7-3, AS AMENDED BY P.L.113-2010, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2012]: Sec. 3. (a) ~~Before January 1 of each year that a~~
2 ~~general reassessment commences under IC 6-1.1-4-4~~; Two hundred
3 fifty (250) or more owners of real property in a township may petition
4 the department to assess the real property of an industrial facility in the
5 township. ~~for that general reassessment.~~

6 (b) An industrial company may at any time petition the department
7 to assess the real property of an industrial facility owned or used by the
8 company.

9 (c) Before January 1 of any year, the county assessor of the county
10 in which an industrial facility is located may petition the department to
11 assess the real property of the industrial facility for the assessment date
12 in the following year.

13 SECTION 23. IC 6-1.1-12-19 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 19. The deduction
15 from assessed value provided by section 18 of this chapter is first
16 available in the year in which the increase in assessed value resulting
17 from the rehabilitation occurs and shall continue for the following four
18 (4) years. In the sixth (6th) year, the county auditor shall add the
19 amount of the deduction to the assessed value of the real property. A:

- 20 (1) general reassessment of real property **under IC 6-1.1-4-4; or**
- 21 **(2) reassessment under a county's reassessment plan prepared**
- 22 **under IC 6-1.1-4-4.2;**

23 which occurs within the five (5) year period of the deduction does not
24 affect the amount of the deduction.

25 SECTION 24. IC 6-1.1-12-23 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 23. The deduction
27 from assessed value provided by section 22 of this chapter is first
28 available after the first assessment date following the rehabilitation and
29 shall continue for the taxes first due and payable in the following five
30 (5) years. In the sixth (6th) year, the county auditor shall add the
31 amount of the deduction to the assessed value of the property. Any:

- 32 (1) general reassessment of real property **under IC 6-1.1-4-4; or**
- 33 **(2) reassessment under a county's reassessment plan prepared**
- 34 **under IC 6-1.1-4-4.2;**

35 which occurs within the five (5) year period of the deduction does not
36 affect the amount of the deduction.

37 SECTION 25. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007,
38 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2012]: Sec. 4. (a) Except as provided in section 2(i)(4)
40 of this chapter, and subject to section 15 of this chapter, the amount of
41 the deduction which the property owner is entitled to receive under
42 section 3 of this chapter for a particular year equals the product of:

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- 1 (1) the increase in the assessed value resulting from the
- 2 rehabilitation or redevelopment; multiplied by
- 3 (2) the percentage prescribed in the table set forth in subsection
- 4 (d).

5 (b) The amount of the deduction determined under subsection (a)

6 shall be adjusted in accordance with this subsection in the following

7 circumstances:

- 8 (1) If:
- 9 (A) a general reassessment of real property **under**
- 10 **IC 6-1.1-4-4; or**
- 11 (B) a reassessment under a county's reassessment plan
- 12 **prepared under IC 6-1.1-4-4.2;**

13 occurs within the particular period of the deduction, the amount

14 determined under subsection (a)(1) shall be adjusted to reflect the

15 percentage increase or decrease in assessed valuation that resulted

16 from the ~~general~~ reassessment.

17 (2) If an appeal of an assessment is approved that results in a

18 reduction of the assessed value of the redeveloped or rehabilitated

19 property, the amount of any deduction shall be adjusted to reflect

20 the percentage decrease that resulted from the appeal.

21 The department of local government finance shall adopt rules under

22 IC 4-22-2 to implement this subsection.

23 (c) Property owners who had an area designated an urban

24 development area pursuant to an application filed prior to January 1,

25 1979, are only entitled to the deduction for the first through the fifth

26 years as provided in subsection (d)(10). In addition, property owners

27 who are entitled to a deduction under this chapter pursuant to an

28 application filed after December 31, 1978, and before January 1, 1986,

29 are entitled to a deduction for the first through the tenth years, as

30 provided in subsection (d)(10).

31 (d) The percentage to be used in calculating the deduction under

32 subsection (a) is as follows:

- 33 (1) For deductions allowed over a one (1) year period:
- 34 YEAR OF DEDUCTION PERCENTAGE
- 35 1st 100%
- 36 (2) For deductions allowed over a two (2) year period:
- 37 YEAR OF DEDUCTION PERCENTAGE
- 38 1st 100%
- 39 2nd 50%
- 40 (3) For deductions allowed over a three (3) year period:
- 41 YEAR OF DEDUCTION PERCENTAGE
- 42 1st 100%

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1	2nd	66%
2	3rd	33%
3	(4) For deductions allowed over a four (4) year period:	
4	YEAR OF DEDUCTION	PERCENTAGE
5	1st	100%
6	2nd	75%
7	3rd	50%
8	4th	25%
9	(5) For deductions allowed over a five (5) year period:	
10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	80%
13	3rd	60%
14	4th	40%
15	5th	20%
16	(6) For deductions allowed over a six (6) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	85%
20	3rd	66%
21	4th	50%
22	5th	34%
23	6th	17%
24	(7) For deductions allowed over a seven (7) year period:	
25	YEAR OF DEDUCTION	PERCENTAGE
26	1st	100%
27	2nd	85%
28	3rd	71%
29	4th	57%
30	5th	43%
31	6th	29%
32	7th	14%
33	(8) For deductions allowed over an eight (8) year period:	
34	YEAR OF DEDUCTION	PERCENTAGE
35	1st	100%
36	2nd	88%
37	3rd	75%
38	4th	63%
39	5th	50%
40	6th	38%
41	7th	25%
42	8th	13%

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1 (9) For deductions allowed over a nine (9) year period:
 2 YEAR OF DEDUCTION PERCENTAGE
 3 1st 100%
 4 2nd 88%
 5 3rd 77%
 6 4th 66%
 7 5th 55%
 8 6th 44%
 9 7th 33%
 10 8th 22%
 11 9th 11%

12 (10) For deductions allowed over a ten (10) year period:
 13 YEAR OF DEDUCTION PERCENTAGE
 14 1st 100%
 15 2nd 95%
 16 3rd 80%
 17 4th 65%
 18 5th 50%
 19 6th 40%
 20 7th 30%
 21 8th 20%
 22 9th 10%
 23 10th 5%

24 SECTION 26. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007,
 25 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JANUARY 1, 2012]: Sec. 4.8. (a) A property owner that is an applicant
 27 for a deduction under this section must provide a statement of benefits
 28 to the designating body.

29 (b) If the designating body requires information from the property
 30 owner for the designating body's use in deciding whether to designate
 31 an economic revitalization area, the property owner must provide the
 32 completed statement of benefits form to the designating body before
 33 the hearing required by section 2.5(c) of this chapter. Otherwise, the
 34 property owner must submit the completed statement of benefits form
 35 to the designating body before the occupation of the eligible vacant
 36 building for which the property owner desires to claim a deduction.

37 (c) The department of local government finance shall prescribe a
 38 form for the statement of benefits. The statement of benefits must
 39 include the following information:

- 40 (1) A description of the eligible vacant building that the property
 41 owner or a tenant of the property owner will occupy.
 42 (2) An estimate of the number of individuals who will be

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1 employed or whose employment will be retained by the property
2 owner or the tenant as a result of the occupation of the eligible
3 vacant building, and an estimate of the annual salaries of those
4 individuals.

5 (3) Information regarding efforts by the owner or a previous
6 owner to sell, lease, or rent the eligible vacant building during the
7 period the eligible vacant building was unoccupied.

8 (4) Information regarding the amount for which the eligible
9 vacant building was offered for sale, lease, or rent by the owner
10 or a previous owner during the period the eligible vacant building
11 was unoccupied.

12 (d) With the approval of the designating body, the statement of
13 benefits may be incorporated in a designation application. A statement
14 of benefits is a public record that may be inspected and copied under
15 IC 5-14-3.

16 (e) The designating body must review the statement of benefits
17 required by subsection (a). The designating body shall determine
18 whether an area should be designated an economic revitalization area
19 or whether a deduction should be allowed, after the designating body
20 has made the following findings:

21 (1) Whether the estimate of the number of individuals who will be
22 employed or whose employment will be retained can be
23 reasonably expected to result from the proposed occupation of the
24 eligible vacant building.

25 (2) Whether the estimate of the annual salaries of those
26 individuals who will be employed or whose employment will be
27 retained can be reasonably expected to result from the proposed
28 occupation of the eligible vacant building.

29 (3) Whether any other benefits about which information was
30 requested are benefits that can be reasonably expected to result
31 from the proposed occupation of the eligible vacant building.

32 (4) Whether the occupation of the eligible vacant building will
33 increase the tax base and assist in the rehabilitation of the
34 economic revitalization area.

35 (5) Whether the totality of benefits is sufficient to justify the
36 deduction.

37 A designating body may not designate an area an economic
38 revitalization area or approve a deduction under this section unless the
39 findings required by this subsection are made in the affirmative.

40 (f) Except as otherwise provided in this section, the owner of an
41 eligible vacant building located in an economic revitalization area is
42 entitled to a deduction from the assessed value of the building if the

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1 property owner or a tenant of the property owner occupies the eligible
2 vacant building and uses it for commercial or industrial purposes. The
3 property owner is entitled to the deduction:

4 (1) for the first year in which the property owner or a tenant of the
5 property owner occupies the eligible vacant building and uses it
6 for commercial or industrial purposes; and

7 (2) for subsequent years determined under subsection (g).

8 (g) The designating body shall determine the number of years for
9 which a property owner is entitled to a deduction under this section.
10 However, subject to section 15 of this chapter, the deduction may not
11 be allowed for more than two (2) years. This determination shall be
12 made:

13 (1) as part of the resolution adopted under section 2.5 of this
14 chapter; or

15 (2) by a resolution adopted not more than sixty (60) days after the
16 designating body receives a copy of the property owner's
17 deduction application from the county auditor.

18 A certified copy of a resolution under subdivision (2) shall be sent to
19 the county auditor, who shall make the deduction as provided in section
20 5.3 of this chapter. A determination concerning the number of years the
21 deduction is allowed that is made under subdivision (1) is final and
22 may not be changed by using the procedure under subdivision (2).

23 (h) Except as provided in section 2(i)(5) of this chapter and
24 subsection (k), and subject to section 15 of this chapter, the amount of
25 the deduction the property owner is entitled to receive under this
26 section for a particular year equals the product of:

27 (1) the assessed value of the building or part of the building that
28 is occupied by the property owner or a tenant of the property
29 owner; multiplied by

30 (2) the percentage set forth in the table in subsection (i).

31 (i) The percentage to be used in calculating the deduction under
32 subsection (h) is as follows:

33 (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

36 (2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

40 (j) The amount of the deduction determined under subsection (h)
41 shall be adjusted in accordance with this subsection in the following
42 circumstances:

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- 1 (1) If:
 2 (A) a general reassessment of real property **under**
 3 **IC 6-1.1-4-4; or**
 4 **(B) a reassessment under a county's reassessment plan**
 5 **prepared under IC 6-1.1-4-4.2;**
 6 occurs within the period of the deduction, the amount of the
 7 assessed value determined under subsection (h)(1) shall be
 8 adjusted to reflect the percentage increase or decrease in assessed
 9 valuation that resulted from the ~~general~~ reassessment.
 10 (2) If an appeal of an assessment is approved and results in a
 11 reduction of the assessed value of the property, the amount of a
 12 deduction under this section shall be adjusted to reflect the
 13 percentage decrease that resulted from the appeal.
 14 (k) The maximum amount of a deduction under this section may not
 15 exceed the lesser of:
 16 (1) the annual amount for which the eligible vacant building was
 17 offered for lease or rent by the owner or a previous owner during
 18 the period the eligible vacant building was unoccupied; or
 19 (2) an amount, as determined by the designating body in its
 20 discretion, that is equal to the annual amount for which similar
 21 buildings in the county or contiguous counties were leased or
 22 rented or offered for lease or rent during the period the eligible
 23 vacant building was unoccupied.
 24 (l) The department of local government finance may adopt rules
 25 under IC 4-22-2 to implement this section.
 26 SECTION 27. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,
 27 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2012]: Sec. 2. (a) For purposes of this
 29 section, an increase in the assessed value of real property is determined
 30 in the same manner that an increase in the assessed value of real
 31 property is determined for purposes of IC 6-1.1-12.1.
 32 (b) This subsection applies only to a development, redevelopment,
 33 or rehabilitation that is first assessed after March 1, 2005, and before
 34 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
 35 and 8 of this chapter, an owner of real property that:
 36 (1) develops, redevelops, or rehabilitates the real property; and
 37 (2) creates or retains employment from the development,
 38 redevelopment, or rehabilitation;
 39 is entitled to a deduction from the assessed value of the real property.
 40 (c) Subject to section 14 of this chapter, the deduction under this
 41 section is first available in the year in which the increase in assessed
 42 value resulting from the development, redevelopment, or rehabilitation

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1 occurs and continues for the following two (2) years. The amount of the
 2 deduction that a property owner may receive with respect to real
 3 property located in a county for a particular year equals the lesser of:

- 4 (1) two million dollars (\$2,000,000); or
- 5 (2) the product of:
 - 6 (A) the increase in assessed value resulting from the
 - 7 development, rehabilitation, or redevelopment; multiplied by
 - 8 (B) the percentage from the following table:

9 YEAR OF DEDUCTION	PERCENTAGE
10 1st	75%
11 2nd	50%
12 3rd	25%

13 (d) A property owner that qualifies for the deduction under this
 14 section must file a notice to claim the deduction in the manner
 15 prescribed by the department of local government finance under rules
 16 adopted by the department of local government finance under
 17 IC 4-22-2 to implement this chapter. The township assessor, or the
 18 county assessor if there is no township assessor for the township, shall:

- 19 (1) inform the county auditor of the real property eligible for the
- 20 deduction as contained in the notice filed by the taxpayer under
- 21 this subsection; and
- 22 (2) inform the county auditor of the deduction amount.

23 (e) The county auditor shall:

- 24 (1) make the deductions; and
- 25 (2) notify the county property tax assessment board of appeals of
- 26 all deductions approved;

27 under this section.

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

- 31 (1) a general reassessment of real property **under IC 6-1.1-4-4;**
- 32 **(2) a reassessment under a county's reassessment plan**
- 33 **prepared under ~~IC 6-1.1-4-4~~; IC 6-1.1-4-4.2;** or
- 34 ~~(2)~~ **(3) an annual adjustment under IC 6-1.1-4-4.5.**

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

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

41 SECTION 28. IC 6-1.1-13-6 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) A county

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1 assessor shall inquire into the assessment of the classes of tangible
2 property in the various townships of the county after March 1 in the
3 year in which ~~the~~ a general reassessment **under IC 6-1.1-4-4** becomes
4 effective. The county assessor shall make any changes, whether
5 increases or decreases, in the assessed values which are necessary in
6 order to equalize these values in and between the various townships of
7 the county. In addition, the county assessor shall determine the percent
8 to be added to or deducted from the assessed values in order to make
9 a just, equitable, and uniform equalization of assessments in and
10 between the townships of the county.

11 **(b) A county assessor shall inquire into the assessment of the**
12 **classes of tangible property in the group of parcels under a**
13 **county's reassessment plan prepared under IC 6-1.1-4-4.2 after**
14 **March 1 in the year in which the reassessment of tangible property**
15 **in that group of parcels becomes effective. The county assessor**
16 **shall make any changes, whether increases or decreases, in the**
17 **assessed values that are necessary in order to equalize these values**
18 **in that group. In addition, the county assessor shall determine the**
19 **percent to be added to or deducted from the assessed values in**
20 **order to make a just, equitable, and uniform equalization of**
21 **assessments in that group.**

22 SECTION 29. IC 6-1.1-13-7 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 7. If a county
24 assessor proposes to change assessments under section 6 of this
25 chapter, the property tax assessment board of appeals shall hold a
26 hearing on the proposed changes before July 15 in the year in which a
27 ~~general assessment~~ **the reassessment** is to commence. It is sufficient
28 notice of the hearing and of any changes in assessments ordered by the
29 board subsequent to the hearing if the board gives notice by publication
30 once either in:

- 31 (1) two (2) newspapers which represent different political parties
32 and which are published in the county; or
- 33 (2) one (1) newspaper only, if two (2) newspapers which
34 represent different political parties are not published in the
35 county.

36 SECTION 30. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007,
37 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JANUARY 1, 2012]: Sec. 4. (a) After receiving a petition for review
39 which is filed under section 3 of this chapter, the Indiana board shall
40 conduct a hearing at its earliest opportunity. The Indiana board may
41 correct any errors that may have been made and adjust the assessment
42 or exemption in accordance with the correction.

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1 (b) If the Indiana board conducts a site inspection of the property as
 2 part of its review of the petition, the Indiana board shall give notice to
 3 all parties of the date and time of the site inspection. The Indiana board
 4 is not required to assess the property in question. The Indiana board
 5 shall give notice of the date fixed for the hearing, by mail, to the
 6 taxpayer and to the county assessor. The Indiana board shall give these
 7 notices at least thirty (30) days before the day fixed for the hearing
 8 unless the parties agree to a shorter period. With respect to a petition
 9 for review filed by a county assessor, the county board that made the
 10 determination under review under this section may file an amicus
 11 curiae brief in the review proceeding under this section. The expenses
 12 incurred by the county board in filing the amicus curiae brief shall be
 13 paid from the property reassessment fund under IC 6-1.1-4-27.5. The
 14 executive of a taxing unit may file an amicus curiae brief in the review
 15 proceeding under this section if the property whose assessment or
 16 exemption is under appeal is subject to assessment by that taxing unit.

17 (c) If a petition for review does not comply with the Indiana board's
 18 instructions for completing the form prescribed under section 3 of this
 19 chapter, the Indiana board shall return the petition to the petitioner and
 20 include a notice describing the defect in the petition. The petitioner
 21 then has thirty (30) days from the date on the notice to cure the defect
 22 and file a corrected petition. The Indiana board shall deny a corrected
 23 petition for review if it does not substantially comply with the Indiana
 24 board's instructions for completing the form prescribed under section
 25 3 of this chapter.

26 (d) After the hearing, the Indiana board shall give the taxpayer, the
 27 county assessor, and any entity that filed an amicus curiae brief:

- 28 (1) notice, by mail, of its final determination; and
- 29 (2) for parties entitled to appeal the final determination, notice of
 30 the procedures they must follow in order to obtain court review
 31 under section 5 of this chapter.

32 (e) Except as provided in subsection (f), the Indiana board shall
 33 conduct a hearing not later than nine (9) months after a petition in
 34 proper form is filed with the Indiana board, excluding any time due to
 35 a delay reasonably caused by the petitioner.

36 (f) With respect to an appeal of a real property assessment that takes
 37 effect on the assessment date on which a ~~general~~ reassessment of real
 38 property takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the Indiana
 39 board shall conduct a hearing not later than one (1) year after a petition
 40 in proper form is filed with the Indiana board, excluding any time due
 41 to a delay reasonably caused by the petitioner.

42 (g) Except as provided in subsection (h), the Indiana board shall

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- 1 make a determination not later than the later of:
- 2 (1) ninety (90) days after the hearing; or
- 3 (2) the date set in an extension order issued by the Indiana board.
- 4 (h) With respect to an appeal of a real property assessment that
- 5 takes effect on the assessment date on which a ~~general~~ reassessment of
- 6 real property takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the
- 7 Indiana board shall make a determination not later than the later of:
- 8 (1) one hundred eighty (180) days after the hearing; or
- 9 (2) the date set in an extension order issued by the Indiana board.
- 10 (i) The Indiana board may not extend the final determination date
- 11 under subsection (g) or (h) by more than one hundred eighty (180)
- 12 days. If the Indiana board fails to make a final determination within the
- 13 time allowed by this section, the entity that initiated the petition may:
- 14 (1) take no action and wait for the Indiana board to make a final
- 15 determination; or
- 16 (2) petition for judicial review under section 5 of this chapter.
- 17 (j) A final determination must include separately stated findings of
- 18 fact for all aspects of the determination. Findings of ultimate fact must
- 19 be accompanied by a concise statement of the underlying basic facts of
- 20 record to support the findings. Findings must be based exclusively
- 21 upon the evidence on the record in the proceeding and on matters
- 22 officially noticed in the proceeding. Findings must be based upon a
- 23 preponderance of the evidence.
- 24 (k) The Indiana board may limit the scope of the appeal to the issues
- 25 raised in the petition and the evaluation of the evidence presented to
- 26 the county board in support of those issues only if all parties
- 27 participating in the hearing required under subsection (a) agree to the
- 28 limitation. A party participating in the hearing required under
- 29 subsection (a) is entitled to introduce evidence that is otherwise proper
- 30 and admissible without regard to whether that evidence has previously
- 31 been introduced at a hearing before the county board.
- 32 (l) The Indiana board may require the parties to the appeal:
- 33 (1) to file not more than five (5) business days before the date of
- 34 the hearing required under subsection (a) documentary evidence
- 35 or summaries of statements of testimonial evidence; and
- 36 (2) to file not more than fifteen (15) business days before the date
- 37 of the hearing required under subsection (a) lists of witnesses and
- 38 exhibits to be introduced at the hearing.
- 39 (m) A party to a proceeding before the Indiana board shall provide
- 40 to all other parties to the proceeding the information described in
- 41 subsection (l) if the other party requests the information in writing at
- 42 least ten (10) days before the deadline for filing of the information

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1 under subsection (l).

2 (n) The Indiana board may base its final determination on a
3 stipulation between the respondent and the petitioner. If the final
4 determination is based on a stipulated assessed valuation of tangible
5 property, the Indiana board may order the placement of a notation on
6 the permanent assessment record of the tangible property that the
7 assessed valuation was determined by stipulation. The Indiana board
8 may:

9 (1) order that a final determination under this subsection has no
10 precedential value; or

11 (2) specify a limited precedential value of a final determination
12 under this subsection.

13 SECTION 31. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,
14 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2012]: Sec. 1. (a) On or before August 1 of each year,
16 the county auditor shall send a certified statement, under the seal of the
17 board of county commissioners, to the fiscal officer of each political
18 subdivision of the county and the department of local government
19 finance. The statement shall contain:

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

22 (2) an estimate of the taxes to be distributed to the political
23 subdivision during the last six (6) months of the current calendar
24 year;

25 (3) the current assessed valuation as shown on the abstract of
26 charges;

27 (4) the average growth in assessed valuation in the political
28 subdivision over the preceding three (3) budget years, ~~excluding~~
29 ~~years in which a general reassessment occurs, determined~~
30 **adjusted** according to procedures established by the department
31 of local government finance **to account for reassessment under**
32 **IC 6-1.1-4-4 or IC 6-1.1-4-4.2;**

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

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

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

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

42 (1) the abstract of taxes levied and collectible for the current

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1 calendar year, less any taxes previously distributed for the
2 calendar year; and
3 (2) any other information at the disposal of the county auditor
4 which might affect the estimate.
5 (c) The fiscal officer of each political subdivision shall present the
6 county auditor's statement to the proper officers of the political
7 subdivision.
8 (d) Subject to subsection (e), after the county auditor sends a
9 certified statement under subsection (a) or an amended certified
10 statement under this subsection with respect to a political subdivision
11 and before the department of local government finance certifies its
12 action with respect to the political subdivision under section 16(f) of
13 this chapter, the county auditor may amend the information concerning
14 assessed valuation included in the earlier certified statement. The
15 county auditor shall send a certified statement amended under this
16 subsection, under the seal of the board of county commissioners, to:
17 (1) the fiscal officer of each political subdivision affected by the
18 amendment; and
19 (2) the department of local government finance.
20 (e) Except as provided in subsection (f), before the county auditor
21 makes an amendment under subsection (d), the county auditor must
22 provide an opportunity for public comment on the proposed
23 amendment at a public hearing. The county auditor must give notice of
24 the hearing under IC 5-3-1. If the county auditor makes the amendment
25 as a result of information provided to the county auditor by an assessor,
26 the county auditor shall give notice of the public hearing to the
27 assessor.
28 (f) The county auditor is not required to hold a public hearing under
29 subsection (e) if:
30 (1) the amendment under subsection (d) is proposed to correct a
31 mathematical error made in the determination of the amount of
32 assessed valuation included in the earlier certified statement;
33 (2) the amendment under subsection (d) is proposed to add to the
34 amount of assessed valuation included in the earlier certified
35 statement assessed valuation of omitted property discovered after
36 the county auditor sent the earlier certified statement; or
37 (3) the county auditor determines that the amendment under
38 subsection (d) will not result in an increase in the tax rate or tax
39 rates of the political subdivision.
40 SECTION 32. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
41 SECTION 168, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2012]: Sec. 12. (a) For purposes of this

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1 section, "maximum rate" refers to the maximum:

2 (1) property tax rate or rates; or

3 (2) special benefits tax rate or rates;

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

5 (b) The maximum rate for taxes first due and payable after 2003 is
6 the maximum rate that would have been determined under subsection
7 (e) for taxes first due and payable in 2003 if subsection (e) had applied
8 for taxes first due and payable in 2003.

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

11 (1) an annual adjustment of the assessed value of real property
12 under IC 6-1.1-4-4.5; or

13 (2) a general reassessment of real property under IC 6-1.1-4-4; or

14 **(3) a reassessment under a county's reassessment plan**
15 **prepared under IC 6-1.1-4-4.2.**

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

17 (1) IC 8-10-5-17;

18 (2) IC 8-22-3-11;

19 (3) IC 8-22-3-25;

20 (4) IC 12-29-1-1;

21 (5) IC 12-29-1-2;

22 (6) IC 12-29-1-3;

23 (7) IC 12-29-3-6;

24 (8) IC 13-21-3-12;

25 (9) IC 13-21-3-15;

26 (10) IC 14-27-6-30;

27 (11) IC 14-33-7-3;

28 (12) IC 14-33-21-5;

29 (13) IC 15-14-7-4;

30 (14) IC 15-14-9-1;

31 (15) IC 15-14-9-2;

32 (16) IC 16-20-2-18;

33 (17) IC 16-20-4-27;

34 (18) IC 16-20-7-2;

35 (19) IC 16-22-14;

36 (20) IC 16-23-1-29;

37 (21) IC 16-23-3-6;

38 (22) IC 16-23-4-2;

39 (23) IC 16-23-5-6;

40 (24) IC 16-23-7-2;

41 (25) IC 16-23-8-2;

42 (26) IC 16-23-9-2;

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- 1 (27) IC 16-41-15-5;
 2 (28) IC 16-41-33-4;
 3 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
 4 (30) IC 20-46-6-5;
 5 (31) IC 20-49-2-10;
 6 (32) IC 36-1-19-1;
 7 (33) IC 23-14-66-2;
 8 (34) IC 23-14-67-3;
 9 (35) IC 36-7-13-4;
 10 (36) IC 36-7-14-28;
 11 (37) IC 36-7-15.1-16;
 12 (38) IC 36-8-19-8.5;
 13 (39) IC 36-9-6.1-2;
 14 (40) IC 36-9-17.5-4;
 15 (41) IC 36-9-27-73;
 16 (42) IC 36-9-29-31;
 17 (43) IC 36-9-29.1-15;
 18 (44) IC 36-10-6-2;
 19 (45) IC 36-10-7-7;
 20 (46) IC 36-10-7-8;
 21 (47) IC 36-10-7.5-19;
 22 (48) IC 36-10-13-5;
 23 (49) IC 36-10-13-7;
 24 (50) IC 36-10-14-4;
 25 (51) IC 36-12-7-7;
 26 (52) IC 36-12-7-8;
 27 (53) IC 36-12-12-10; and
 28 (54) any statute enacted after December 31, 2003, that:
 29 (A) establishes a maximum rate for any part of the:
 30 (i) property taxes; or
 31 (ii) special benefits taxes;
 32 imposed by a political subdivision; and
 33 (B) does not exempt the maximum rate from the adjustment
 34 under this section.
 35 (e) The new maximum rate under a statute listed in subsection (d)
 36 is the tax rate determined under STEP SEVEN of the following STEPS:
 37 STEP ONE: Determine the maximum rate for the political
 38 subdivision levying a property tax or special benefits tax under
 39 the statute for the year preceding the year in which the annual
 40 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
 41 **IC 6-1.1-4-4.2** takes effect.
 42 STEP TWO: Determine the actual percentage increase (rounded

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1 to the nearest one-hundredth percent (0.01%)) in the assessed
 2 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 3 taxable property from the year preceding the year the annual
 4 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
 5 **IC 6-1.1-4-4.2** takes effect to the year that the annual adjustment
 6 or ~~general the~~ reassessment takes effect.

7 STEP THREE: Determine the three (3) calendar years that
 8 immediately precede the ensuing calendar year and in which a
 9 statewide general reassessment of real property **under**
 10 **IC 6-1.1-4-4** does not first take effect.

11 STEP FOUR: Compute separately, for each of the calendar years
 12 determined in STEP THREE, the actual percentage increase
 13 (rounded to the nearest one-hundredth percent (0.01%)) in the
 14 assessed value (before the adjustment, if any, under
 15 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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

18 STEP SIX: Determine the greater of the following:

19 (A) Zero (0).

20 (B) The result of the STEP TWO percentage minus the STEP
 21 FIVE percentage.

22 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 23 divided by the sum of one (1) plus the STEP SIX percentage
 24 increase.

25 (f) The department of local government finance shall compute the
 26 maximum rate allowed under subsection (e) and provide the rate to
 27 each political subdivision with authority to levy a tax under a statute
 28 listed in subsection (d).

29 SECTION 33. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
 30 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JANUARY 1, 2012]: Sec. 13. (a) The maximum property tax rate
 32 levied under IC 20-46-6 by each school corporation for the school
 33 corporation's capital projects fund must be adjusted each year to
 34 account for the change in assessed value of real property that results
 35 from:

36 (1) an annual adjustment of the assessed value of real property
 37 under IC 6-1.1-4-4.5; ~~or~~

38 (2) a general reassessment of real property under IC 6-1.1-4-4; ~~or~~

39 **(3) a reassessment under a county's reassessment plan**
 40 **prepared under IC 6-1.1-4-4.2.**

41 (b) The new maximum rate under this section is the tax rate
 42 determined under STEP SEVEN of the following formula:

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1 STEP ONE: Determine the maximum rate for the school
2 corporation for the year preceding the year in which the annual
3 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
4 **IC 6-1.1-4-4.2** takes effect.

5 STEP TWO: Determine the actual percentage increase (rounded
6 to the nearest one-hundredth percent (0.01%)) in the assessed
7 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
8 taxable property from the year preceding the year the annual
9 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
10 **IC 6-1.1-4-4.2** takes effect to the year that the annual adjustment
11 or ~~general the~~ reassessment is effective.

12 STEP THREE: Determine the three (3) calendar years that
13 immediately precede the ensuing calendar year and in which a
14 statewide general reassessment of real property **under**
15 **IC 6-1.1-4-4** does not first become effective.

16 STEP FOUR: Compute separately, for each of the calendar years
17 determined in STEP THREE, the actual percentage increase
18 (rounded to the nearest one-hundredth percent (0.01%)) in the
19 assessed value (before the adjustment, if any, under
20 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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

23 STEP SIX: Determine the greater of the following:

24 (A) Zero (0).

25 (B) The result of the STEP TWO percentage minus the STEP
26 FIVE percentage.

27 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
28 divided by the sum of one (1) plus the STEP SIX percentage
29 increase.

30 (c) The department of local government finance shall compute the
31 maximum rate allowed under subsection (b) and provide the rate to
32 each school corporation.

33 SECTION 34. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,
34 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JANUARY 1, 2012]: Sec. 9.8. (a) For purposes of determining the
36 property tax levy limit imposed on a city, town, or county under section
37 3 of this chapter, the city, town, or county's ad valorem property tax
38 levy for a particular calendar year does not include an amount equal to
39 the lesser of:

40 (1) the amount of ad valorem property taxes that would be first
41 due and payable to the city, town, or county during the ensuing
42 calendar year if the taxing unit imposed the maximum permissible

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1 property tax rate per one hundred dollars (\$100) of assessed
 2 valuation that the civil taxing unit may impose for the particular
 3 calendar year under the authority of IC 36-9-14.5 (in the case of
 4 a county) or IC 36-9-15.5 (in the case of a city or town); or
 5 (2) the excess, if any, of:
 6 (A) the property taxes imposed by the city, town, or county
 7 under the authority of:
 8 IC 3-11-6-9;
 9 IC 8-16-3;
 10 IC 8-16-3.1;
 11 IC 8-22-3-25;
 12 IC 14-27-6-48;
 13 IC 14-33-9-3;
 14 IC 16-22-8-41;
 15 IC 16-22-5-2 through IC 16-22-5-15;
 16 IC 16-23-1-40;
 17 IC 36-8-14;
 18 IC 36-9-4-48;
 19 IC 36-9-14;
 20 IC 36-9-14.5;
 21 IC 36-9-15;
 22 IC 36-9-15.5;
 23 IC 36-9-16;
 24 IC 36-9-16.5;
 25 IC 36-9-17;
 26 IC 36-9-26;
 27 IC 36-9-27-100;
 28 IC 36-10-3-21; or
 29 IC 36-10-4-36;
 30 that are first due and payable during the ensuing calendar year;
 31 over
 32 (B) the property taxes imposed by the city, town, or county
 33 under the authority of the citations listed in clause (A) that
 34 were first due and payable during calendar year 1984.
 35 (b) The maximum property tax rate levied under the statutes listed
 36 in subsection (a) must be adjusted each year to account for the change
 37 in assessed value of real property that results from:
 38 (1) an annual adjustment of the assessed value of real property
 39 under IC 6-1.1-4-4.5; or
 40 (2) a general reassessment of real property under IC 6-1.1-4-4; or
 41 (3) a reassessment under a county's reassessment plan
 42 prepared under IC 6-1.1-4-4.2.

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1 (c) The new maximum rate under a statute listed in subsection (a)
2 is the tax rate determined under STEP SEVEN of the following
3 formula:

4 STEP ONE: Determine the maximum rate for the political
5 subdivision levying a property tax under the statute for the year
6 preceding the year in which the annual adjustment or ~~general the~~
7 reassessment **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect.

8 STEP TWO: Determine the actual percentage increase (rounded
9 to the nearest one-hundredth percent (0.01%)) in the assessed
10 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
11 taxable property from the year preceding the year the annual
12 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
13 **IC 6-1.1-4-4.2** takes effect to the year that the annual adjustment
14 or ~~general~~ reassessment is effective.

15 STEP THREE: Determine the three (3) calendar years that
16 immediately precede the ensuing calendar year and in which a
17 statewide general reassessment of real property **under**
18 **IC 6-1.1-4-4** does not first become effective.

19 STEP FOUR: Compute separately, for each of the calendar years
20 determined in STEP THREE, the actual percentage increase
21 (rounded to the nearest one-hundredth percent (0.01%)) in the
22 assessed value (before the adjustment, if any, under
23 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

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

26 STEP SIX: Determine the greater of the following:

- 27 (A) Zero (0).
- 28 (B) The result of the STEP TWO percentage minus the STEP
29 FIVE percentage.

30 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
31 divided by the sum of one (1) plus the STEP SIX percentage
32 increase.

33 (d) The department of local government finance shall compute the
34 maximum rate allowed under subsection (c) and provide the rate to
35 each political subdivision with authority to levy a tax under a statute
36 listed in subsection (a).

37 SECTION 35. IC 6-1.1-18.5-10, AS AMENDED BY
38 P.L.182-2009(ss), SECTION 128, IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 10. (a) The ad
40 valorem property tax levy limits imposed by section 3 of this chapter
41 do not apply to ad valorem property taxes imposed by a civil taxing
42 unit to be used to fund:

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1 (1) community mental health centers under:

- 2 (A) IC 12-29-2-1.2, for only those civil taxing units that
 3 authorized financial assistance under IC 12-29-1 before 2002
 4 for a community mental health center as long as the tax levy
 5 under this section does not exceed the levy authorized in 2002;
 6 (B) IC 12-29-2-2 through IC 12-29-2-5; and
 7 (C) IC 12-29-2-13; or

8 (2) community mental retardation and other developmental
 9 disabilities centers under IC 12-29-1-1;

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

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

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

- 25 (1) the assessed value growth quotient determined under section
 26 2 of this chapter; minus
 27 (2) one (1).

28 (d) For a county that:

- 29 (1) did not impose an ad valorem property tax levy in 2008 for the
 30 county general fund to provide financial assistance under
 31 IC 12-29-1 (community mental retardation and other
 32 developmental disabilities center) or IC 12-29-2 (community
 33 mental health center); and
 34 (2) determines for 2009 or a later calendar year to impose a levy
 35 as described in subdivision (1);

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

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1 which the levy limits do not apply under this subsection for the first
2 calendar year for which a determination is made under subdivision (2).

3 (e) The ad valorem property tax levy limits imposed under section
4 3 of this chapter do not apply to the county's general fund levy in the
5 amount determined by the department of local government finance
6 under subsection (d) in each calendar year following the calendar year
7 for which the determination under subsection (b) is made.

8 SECTION 36. IC 6-1.1-18.5-13, AS AMENDED BY
9 P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 13. With respect
11 to an appeal filed under section 12 of this chapter, the department may
12 find that a civil taxing unit should receive any one (1) or more of the
13 following types of relief:

14 (1) Permission to the civil taxing unit to increase its levy in excess
15 of the limitations established under section 3 of this chapter, if in
16 the judgment of the department the increase is reasonably
17 necessary due to increased costs of the civil taxing unit resulting
18 from annexation, consolidation, or other extensions of
19 governmental services by the civil taxing unit to additional
20 geographic areas or persons. With respect to annexation,
21 consolidation, or other extensions of governmental services in a
22 calendar year, if those increased costs are incurred by the civil
23 taxing unit in that calendar year and more than one (1)
24 immediately succeeding calendar year, the unit may appeal under
25 section 12 of this chapter for permission to increase its levy under
26 this subdivision based on those increased costs in any of the
27 following:

28 (A) The first calendar year in which those costs are incurred.

29 (B) One (1) or more of the immediately succeeding four (4)
30 calendar years.

31 (2) A levy increase may not be granted under this subdivision for
32 property taxes first due and payable after December 31, 2008.
33 Permission to the civil taxing unit to increase its levy in excess of
34 the limitations established under section 3 of this chapter, if the
35 local government tax control board finds that the civil taxing unit
36 needs the increase to meet the civil taxing unit's share of the costs
37 of operating a court established by statute enacted after December
38 31, 1973. Before recommending such an increase, the local
39 government tax control board shall consider all other revenues
40 available to the civil taxing unit that could be applied for that
41 purpose. The maximum aggregate levy increases that the local
42 government tax control board may recommend for a particular

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1 court equals the civil taxing unit's estimate of the unit's share of
 2 the costs of operating a court for the first full calendar year in
 3 which it is in existence. For purposes of this subdivision, costs of
 4 operating a court include:

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

6 (B) the cost of supplies; and

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

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

13 STEP ONE: Determine the three (3) calendar years that most
 14 immediately precede the ensuing calendar year and in which
 15 a statewide general reassessment of real property ~~or the initial~~
 16 ~~annual adjustment of the assessed value of real property under~~
 17 ~~IC 6-1.1-4-4.5~~ **under IC 6-1.1-4-4** does not first become
 18 effective.

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

23 (i) for a particular calendar year before 2007, the total
 24 assessed value of property tax deductions in the unit under
 25 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 26 year; or

27 (ii) for a particular calendar year after 2006, the total
 28 assessed value of property tax deductions that applied in the
 29 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 30 calendar year after 2009, the total assessed value of property
 31 tax deductions that applied in the unit under
 32 IC 6-1.1-12-37.5 in 2008;

33 divided by the sum determined under this STEP for the
 34 calendar year immediately preceding the particular calendar
 35 year.

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

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

42 (i) for a particular calendar year before 2007, the total

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1 assessed value of property tax deductions in all counties
 2 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular
 3 calendar year; or
 4 (ii) for a particular calendar year after 2006, the total
 5 assessed value of property tax deductions that applied in all
 6 counties under IC 6-1.1-12-42 in 2006 plus for a particular
 7 calendar year after 2009, the total assessed value of property
 8 tax deductions that applied in the unit under
 9 IC 6-1.1-12-37.5 in 2008;
 10 divided by the sum determined under this STEP for the
 11 calendar year immediately preceding the particular calendar
 12 year.
 13 STEP FIVE: Divide the sum of the three (3) quotients
 14 computed in STEP FOUR by three (3).
 15 STEP SIX: Divide the STEP THREE amount by the STEP
 16 FIVE amount.
 17 The civil taxing unit may increase its levy by a percentage not
 18 greater than the percentage by which the STEP THREE amount
 19 exceeds the percentage by which the civil taxing unit may
 20 increase its levy under section 3 of this chapter based on the
 21 assessed value growth quotient determined under section 2 of this
 22 chapter.
 23 (4) A levy increase may not be granted under this subdivision for
 24 property taxes first due and payable after December 31, 2008.
 25 Permission to the civil taxing unit to increase its levy in excess of
 26 the limitations established under section 3 of this chapter, if the
 27 local government tax control board finds that the civil taxing unit
 28 needs the increase to pay the costs of furnishing fire protection for
 29 the civil taxing unit through a volunteer fire department. For
 30 purposes of determining a township's need for an increased levy,
 31 the local government tax control board shall not consider the
 32 amount of money borrowed under IC 36-6-6-14 during the
 33 immediately preceding calendar year. However, any increase in
 34 the amount of the civil taxing unit's levy recommended by the
 35 local government tax control board under this subdivision for the
 36 ensuing calendar year may not exceed the lesser of:
 37 (A) ten thousand dollars (\$10,000); or
 38 (B) twenty percent (20%) of:
 39 (i) the amount authorized for operating expenses of a
 40 volunteer fire department in the budget of the civil taxing
 41 unit for the immediately preceding calendar year; plus
 42 (ii) the amount of any additional appropriations authorized

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1 during that calendar year for the civil taxing unit's use in
 2 paying operating expenses of a volunteer fire department
 3 under this chapter; minus

4 (iii) the amount of money borrowed under IC 36-6-6-14
 5 during that calendar year for the civil taxing unit's use in
 6 paying operating expenses of a volunteer fire department.

7 (5) A levy increase may not be granted under this subdivision for
 8 property taxes first due and payable after December 31, 2008.
 9 Permission to a civil taxing unit to increase its levy in excess of
 10 the limitations established under section 3 of this chapter in order
 11 to raise revenues for pension payments and contributions the civil
 12 taxing unit is required to make under IC 36-8. The maximum
 13 increase in a civil taxing unit's levy that may be recommended
 14 under this subdivision for an ensuing calendar year equals the
 15 amount, if any, by which the pension payments and contributions
 16 the civil taxing unit is required to make under IC 36-8 during the
 17 ensuing calendar year exceeds the product of one and one-tenth
 18 (1.1) multiplied by the pension payments and contributions made
 19 by the civil taxing unit under IC 36-8 during the calendar year that
 20 immediately precedes the ensuing calendar year. For purposes of
 21 this subdivision, "pension payments and contributions made by a
 22 civil taxing unit" does not include that part of the payments or
 23 contributions that are funded by distributions made to a civil
 24 taxing unit by the state.

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

30 (A) the township's township assistance ad valorem property
 31 tax rate is less than one and sixty-seven hundredths cents
 32 (\$0.0167) per one hundred dollars (\$100) of assessed
 33 valuation; and

34 (B) the township needs the increase to meet the costs of
 35 providing township assistance under IC 12-20 and IC 12-30-4.
 36 The maximum increase that the board may recommend for a
 37 township is the levy that would result from an increase in the
 38 township's township assistance ad valorem property tax rate of
 39 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 40 dollars (\$100) of assessed valuation minus the township's ad
 41 valorem property tax rate per one hundred dollars (\$100) of
 42 assessed valuation before the increase.

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

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

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

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

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

25 (A) the civil taxing unit is:

26 (i) a county having a population of more than one hundred
 27 forty-eight thousand (148,000) but less than one hundred
 28 seventy thousand (170,000);

29 (ii) a city having a population of more than fifty-five
 30 thousand (55,000) but less than fifty-nine thousand (59,000);

31 (iii) a city having a population of more than twenty-eight
 32 thousand seven hundred (28,700) but less than twenty-nine
 33 thousand (29,000);

34 (iv) a city having a population of more than fifteen thousand
 35 four hundred (15,400) but less than sixteen thousand six
 36 hundred (16,600); or

37 (v) a city having a population of more than seven thousand
 38 (7,000) but less than seven thousand three hundred (7,300);

39 and

40 (B) the increase is necessary to provide funding to undertake
 41 removal (as defined in IC 13-11-2-187) and remedial action
 42 (as defined in IC 13-11-2-185) relating to hazardous

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1 substances (as defined in IC 13-11-2-98) in solid waste
 2 disposal facilities or industrial sites in the civil taxing unit that
 3 have become a menace to the public health and welfare.
 4 The maximum increase that the local government tax control
 5 board may recommend for such a civil taxing unit is the levy that
 6 would result from a property tax rate of six and sixty-seven
 7 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 8 of assessed valuation. For purposes of computing the ad valorem
 9 property tax levy limit imposed on a civil taxing unit under
 10 section 3 of this chapter, the civil taxing unit's ad valorem
 11 property tax levy for a particular year does not include that part of
 12 the levy imposed under this subdivision. In addition, a property
 13 tax increase permitted under this subdivision may be imposed for
 14 only two (2) calendar years.

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

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

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

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

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

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

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

38 Before recommending an increase, the local government tax
 39 control board shall consider all other revenues available to the
 40 county that could be applied for that purpose. An appeal for
 41 operating funds for a jail or a juvenile detention center shall be
 42 considered individually, if a jail and juvenile detention center are

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both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

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

(11) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008. Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However, the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

(12) Permission to a city having a population of more than

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1 twenty-nine thousand (29,000) but less than thirty-one thousand
 2 (31,000) to increase its levy in excess of the limitations
 3 established under section 3 of this chapter if:

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

7 (B) the increase has been approved by the legislative body of
 8 the city, and the legislative body of the city has by resolution
 9 determined that the increase is necessary to pay normal
 10 operating expenses.

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

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

23 SECTION 37. IC 6-1.1-28-8 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) The county
 25 property tax assessment board shall remain in session until the board's
 26 duties are complete.

27 (b) All expenses and per diem compensation resulting from a
 28 session of a county property tax assessment board that is called by the
 29 department of local government finance under subsection (c) shall be
 30 paid by the county auditor, who shall, without an appropriation being
 31 required, draw warrants on county funds not otherwise appropriated.

32 (c) The department of local government finance may also call a
 33 session of the county property tax assessment board after completion
 34 of a general reassessment of real property **under IC 6-1.1-4-4 or a**
 35 **reassessment under a reassessment plan prepared under**
 36 **IC 6-1.1-4-4.2.** The department of local government finance shall fix
 37 the time for and duration of the session.

38 SECTION 38. IC 6-1.1-31-9 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. (a) Except as
 40 provided in subsection (b), the department of local government finance
 41 may not adopt rules for the appraisal of real property:

42 (1) in a general reassessment **under IC 6-1.1-4-4; or**

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1 **(2) in a reassessment under a county's reassessment plan**
 2 **prepared under IC 6-1.1-4-4.2;**

3 after July 1 of the year before the year in which the ~~general~~
 4 reassessment is scheduled to begin.

5 (b) If rules for the appraisal of real property in a ~~general~~
 6 ~~reassessment described in subsection (a)~~ are timely adopted under
 7 subsection (a) and are then disapproved by the attorney general for any
 8 reason under IC 4-22-2-32, the department of local government finance
 9 may modify the rules to cure the defect that resulted in disapproval by
 10 the attorney general, and may then take all actions necessary under
 11 IC 4-22-2 to readopt and to obtain approval of the rules. This process
 12 may be repeated as necessary until the rules are approved.

13 SECTION 39. IC 6-1.1-33.5-6 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) With
 15 respect to any township or county for any year, the department of local
 16 government finance may initiate a review to determine whether to order
 17 a special reassessment under this chapter. The review may apply to real
 18 property or personal property, or both.

19 (b) If the department of local government finance determines under
 20 subsection (a) ~~of this chapter~~ to initiate a review with respect to the real
 21 property **subject to reassessment under IC 6-1.1-4-4** within a
 22 township or county, or a portion of the real property within a township
 23 or county, the division of data analysis of the department shall
 24 determine for the real property under consideration and for the
 25 township or county the variance between:

- 26 (1) the total assessed valuation of the real property within the
 27 township or county; and
 28 (2) the total assessed valuation that would result if the real
 29 property within the township or county were valued in the manner
 30 provided by law.

31 **(c) If the department of local government finance determines**
 32 **under subsection (a) to initiate a review with respect to the real**
 33 **property within a particular cycle under a county's reassessment**
 34 **plan prepared under IC 6-1.1-4-4.2 or a portion of the real**
 35 **property within a cycle, the division of data analysis of the**
 36 **department shall determine for the real property under**
 37 **consideration and for all groups of parcels within a particular cycle**
 38 **the variance between:**

- 39 **(1) the total assessed valuation of the real property within all**
 40 **groups of parcels within a particular cycle; and**
 41 **(2) the total assessed valuation that would result if the real**
 42 **property within all groups of parcels within a particular cycle**

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1 **were valued in the manner provided by law.**

2 ~~(c)~~ **(d)** If the department of local government finance determines
3 under subsection (a) ~~of this chapter~~ to initiate a review with respect to
4 personal property within a township or county, or a part of the personal
5 property within a township or county, the division of data analysis of
6 the department shall determine for the personal property under
7 consideration and for the township or county the variance between:

8 (1) the total assessed valuation of the personal property within the
9 township or county; and

10 (2) the total assessed valuation that would result if the personal
11 property within the township or county were valued in the manner
12 provided by law.

13 ~~(d)~~ **(e)** The determination of the department of local government
14 finance under section 2 or 3 of this chapter must be based on a
15 statistically valid assessment ratio study.

16 ~~(e)~~ **(f)** If a determination of the department of local government
17 finance to order a special reassessment under this chapter is based on
18 a coefficient of dispersion study, the department shall publish the
19 coefficient of dispersion study for the township or county in accordance
20 with IC 5-3-1-2(j).

21 ~~(f)~~ **(g)** If:

22 (1) the variance determined under subsection (b), ~~or~~ (c), **or** (d)
23 exceeds twenty percent (20%); and

24 (2) the department of local government finance determines after
25 holding hearings on the matter that a special reassessment should
26 be conducted;

27 the department shall contract for a special reassessment to be
28 conducted to correct the valuation of the property.

29 ~~(g)~~ **(h)** If the variance determined under subsection (b), ~~or~~ (c), **or** (d)
30 is twenty percent (20%) or less, the department of local government
31 finance shall determine whether to correct the valuation of the property
32 under:

33 (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or

34 (2) IC 6-1.1-14.

35 ~~(h)~~ **(i)** The department of local government finance shall give notice
36 to a taxpayer, by individual notice or by publication at the discretion of
37 the department, of a hearing concerning the department's intent to
38 cause the assessment of the taxpayer's property to be adjusted under
39 this section. The time fixed for the hearing must be at least ten (10)
40 days after the day the notice is mailed or published. The department
41 may conduct a single hearing under this section with respect to
42 multiple properties. The notice must state:

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- 1 (1) the time of the hearing;
- 2 (2) the location of the hearing; and
- 3 (3) that the purpose of the hearing is to hear taxpayers' comments
- 4 and objections with respect to the department's intent to adjust the
- 5 assessment of property under this chapter.

6 ~~(i)~~ **(j)** If the department of local government finance determines
 7 after the hearing that the assessment of property should be adjusted
 8 under this chapter, the department shall:

- 9 (1) cause the assessment of the property to be adjusted;
- 10 (2) mail a certified notice of its final determination to the county
- 11 auditor of the county in which the property is located; and
- 12 (3) notify the taxpayer as required under IC 6-1.1-14.

13 ~~(j)~~ **(k)** A reassessment or adjustment may be made under this section
 14 only if the notice of the final determination is given to the taxpayer
 15 within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

16 ~~(k)~~ **(l)** If the department of local government finance contracts for
 17 a special reassessment of property under this chapter, the department
 18 shall forward the bill for services of the reassessment contractor to the
 19 county auditor, and the county shall pay the bill from the county
 20 reassessment fund.

21 SECTION 40. IC 6-1.1-34-1, AS AMENDED BY P.L.182-2009(ss),
 22 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. In the year after:

- 24 (1) a general assessment of real property **under IC 6-1.1-4-4**
- 25 becomes effective; **or**
- 26 (2) **a reassessment cycle of real property under a county's**
- 27 **reassessment plan prepared under IC 6-1.1-4-4.2 is**
- 28 **completed;**

29 the department of local government finance shall compute a new
 30 assessment ratio for each school corporation located in a county in
 31 which a supplemental county levy is imposed under IC 20-45-7 or
 32 IC 20-45-8. In all other years, the department shall compute a new
 33 assessment ratio for such a school corporation if the department finds
 34 that there has been sufficient reassessment or adjustment of one (1) or
 35 more classes of property in the school district. When the department of
 36 local government finance computes a new assessment ratio for a school
 37 corporation, the department shall publish the new ratio.

38 SECTION 41. IC 6-1.1-34-7, AS AMENDED BY P.L.182-2009(ss),
 39 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2012]: Sec. 7. (a) Each year in which the
 41 department of local government finance computes a new assessment
 42 ratio for a school corporation, the department shall also compute a new

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1 adjustment factor for the school corporation. If the school corporation's
2 assessment ratio for a year is more than ninety-nine percent (99%) but
3 less than one hundred one percent (101%) of the state average
4 assessment ratio for that year, the school corporation's adjustment
5 factor is the number one (1). In all other cases, the school corporation's
6 adjustment factor equals:

- 7 (1) the state average assessment ratio for a year; divided by
- 8 (2) the school corporation's assessment ratio for that year.

9 The department of local government finance shall notify the school
10 corporation of its new adjustment factor before March 2 of the year in
11 which the department calculates the new adjustment factor.

- 12 (b) This subsection applies in a calendar year after which:
13 (1) a general reassessment **under IC 6-1.1-4-4** takes effect; or
14 (2) **a cycle under a county's reassessment plan prepared under**
15 **IC 6-1.1-4-4.2 is completed.**

16 If the department of local government finance has not computed a new
17 assessment ratio for a school corporation, the school corporation's
18 adjustment factor is the number one (1) until the department of local
19 government finance notifies the school corporation of the school
20 corporation's new adjustment factor.

21 SECTION 42. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
22 SECTION 296, IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JANUARY 1, 2012]: Sec. 5. (a) A declaratory ordinance
24 adopted under section 2 of this chapter and confirmed under section 3
25 of this chapter must include a provision with respect to the allocation
26 and distribution of property taxes for the purposes and in the manner
27 provided in this section. The allocation provision must apply to the
28 entire economic development district. The allocation provisions must
29 require that any property taxes subsequently levied by or for the benefit
30 of any public body entitled to a distribution of property taxes on taxable
31 property in the economic development district be allocated and
32 distributed as follows:

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

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

39 shall be allocated to and, when collected, paid into the funds of
40 the respective taxing units. However, if the effective date of the
41 allocation provision of a declaratory ordinance is after March 1,
42 1985, and before January 1, 1986, and if an improvement to

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

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

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

8 (f) The state board of accounts and department of local government
9 finance shall make the rules and prescribe the forms and procedures
10 that they consider expedient for the implementation of this chapter.
11 After each:

- 12 (1) general reassessment under ~~IC 6-1.1-4~~, **IC 6-1.1-4-4**; or
- 13 (2) **reassessment of a group of parcels under a reassessment**
14 **plan prepared under IC 6-1.1-4-4.2**;

15 the department of local government finance shall adjust the base
16 assessed value one (1) time to neutralize any effect of the ~~general~~
17 reassessment on the property tax proceeds allocated to the district
18 under this section. After each annual adjustment under IC 6-1.1-4-4.5,
19 the department of local government finance shall adjust the base
20 assessed value to neutralize any effect of the annual adjustment on the
21 property tax proceeds allocated to the district under this section.
22 However, the adjustments under this subsection may not include the
23 effect of property tax abatements under IC 6-1.1-12.1.

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

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

- 36 (h) As used in this section, "base assessed value" means:
- 37 (1) the net assessed value of all the property as finally determined
38 for the assessment date immediately preceding the effective date
39 of the allocation provision of the declaratory resolution, as
40 adjusted under subsection (f); plus
- 41 (2) to the extent that it is not included in subdivision (1), the net
42 assessed value of property that is assessed as residential property

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1 under the rules of the department of local government finance, as
2 finally determined for any assessment date after the effective date
3 of the allocation provision.

4 Subdivision (2) applies only to economic development districts
5 established after June 30, 1997, and to additional areas established
6 after June 30, 1997.

7 SECTION 43. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007,
8 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2012]: Sec. 28. (a) Subject to this section and section 34
10 of this chapter, the amount of the deduction which the property owner
11 is entitled to receive under this chapter for a particular year equals the
12 product of:

- 13 (1) the increase in the assessed value resulting from the
- 14 remediation and redevelopment in the zone or the location of
- 15 personal property in the zone, or both; multiplied by
- 16 (2) the percentage determined under subsection (b).

17 (b) The percentage to be used in calculating the deduction under
18 subsection (a) is as follows:

19 (1) For deductions allowed over a three (3) year period:

20 YEAR OF DEDUCTION	PERCENTAGE
21 1st	100%
22 2nd	66%
23 3rd	33%

24 (2) For deductions allowed over a six (6) year period:

25 YEAR OF DEDUCTION	PERCENTAGE
26 1st	100%
27 2nd	85%
28 3rd	66%
29 4th	50%
30 5th	34%
31 6th	17%

32 (3) For deductions allowed over a ten (10) year period:

33 YEAR OF DEDUCTION	PERCENTAGE
34 1st	100%
35 2nd	95%
36 3rd	80%
37 4th	65%
38 5th	50%
39 6th	40%
40 7th	30%
41 8th	20%
42 9th	10%

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(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a:

(A) general reassessment of real property under IC 6-1.1-4-4;
or

(B) reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2;

occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the ~~general~~ reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

(3) The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

(4) The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or
(B) has contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

SECTION 44. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 1. As used in this chapter, "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 45. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 3. As used in this chapter, "qualifying official" refers to any of the following:

- (1) A county assessor of a qualifying county.
- (2) A township assessor of a qualifying county.
- (3) The county auditor of a qualifying county.

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- 1 (4) The treasurer of a qualifying county.
- 2 (5) The county surveyor of a qualifying county.
- 3 (6) A member of the land valuation committee in a qualifying
- 4 county.
- 5 (7) Any other township or county official in a qualifying county
- 6 who has possession or control of information necessary or useful
- 7 for a ~~general~~ reassessment, ~~general~~ reassessment review, or
- 8 special reassessment of property to which IC 6-1.1-4-32
- 9 (repealed) applies, including information in the possession or
- 10 control of an employee or a contractor of the official.
- 11 (8) Any county official in a qualifying county who has control,
- 12 review, or other responsibilities related to paying claims of a
- 13 contractor submitted for payment under IC 6-1.1-4-32 (repealed).

14 SECTION 46. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,
 15 SECTION 691, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JANUARY 1, 2012]: Sec. 13. The county fiscal body
 17 may grant to the county assessor, in addition to the compensation fixed
 18 under IC 36-2-5, a per diem for each day that the assessor is engaged
 19 in ~~general~~ reassessment activities **under IC 6-1.1-4-4 or under a**
 20 **reassessment plan prepared under IC 6-1.1-4-4.2.** This section
 21 applies regardless of whether professional assessing services are
 22 provided under a contract to one (1) or more townships in the county.

23 SECTION 47. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,
 24 SECTION 717, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JANUARY 1, 2012]: Sec. 5. (a) When performing the
 26 real property reassessment duties ~~prescribed by IC 6-1.1-4,~~ **under**
 27 **IC 6-1.1-4-4 or a county's reassessment plan prepared under**
 28 **IC 6-1.1-4-4.2,** a township assessor may receive per diem
 29 compensation, in addition to salary, at a rate fixed by the county fiscal
 30 body, for each day that the assessor is engaged in reassessment
 31 activities.

32 (b) Subsection (a) applies regardless of whether professional
 33 assessing services are provided to a township under contract.

34 SECTION 48. IC 36-7-14-39, AS AMENDED BY
 35 P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 39. (a) As used
 37 in this section:

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

42 "Base assessed value" means the following:

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

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

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

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

20 (b) A declaratory resolution adopted under section 15 of this chapter
21 on or before the allocation deadline determined under subsection (i)
22 may include a provision with respect to the allocation and distribution
23 of property taxes for the purposes and in the manner provided in this
24 section. A declaratory resolution previously adopted may include an
25 allocation provision by the amendment of that declaratory resolution on
26 or before the allocation deadline determined under subsection (i) in
27 accordance with the procedures required for its original adoption. A
28 declaratory resolution or an amendment that establishes an allocation
29 provision after June 30, 1995, must specify an expiration date for the
30 allocation provision. For an allocation area established before July 1,
31 2008, the expiration date may not be more than thirty (30) years after
32 the date on which the allocation provision is established. For an
33 allocation area established after June 30, 2008, the expiration date may
34 not be more than twenty-five (25) years after the date on which the first
35 obligation was incurred to pay principal and interest on bonds or lease
36 rentals on leases payable from tax increment revenues. However, with
37 respect to bonds or other obligations that were issued before July 1,
38 2008, if any of the bonds or other obligations that were scheduled when
39 issued to mature before the specified expiration date and that are
40 payable only from allocated tax proceeds with respect to the allocation
41 area remain outstanding as of the expiration date, the allocation
42 provision does not expire until all of the bonds or other obligations are

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1 no longer outstanding. The allocation provision may apply to all or part
 2 of the redevelopment project area. The allocation provision must
 3 require that any property taxes subsequently levied by or for the benefit
 4 of any public body entitled to a distribution of property taxes on taxable
 5 property in the allocation area be allocated and distributed as follows:
 6 (1) Except as otherwise provided in this section, the proceeds of
 7 the taxes attributable to the lesser of:
 8 (A) the assessed value of the property for the assessment date
 9 with respect to which the allocation and distribution is made;
 10 or
 11 (B) the base assessed value;
 12 shall be allocated to and, when collected, paid into the funds of
 13 the respective taxing units.
 14 (2) Except as otherwise provided in this section, property tax
 15 proceeds in excess of those described in subdivision (1) shall be
 16 allocated to the redevelopment district and, when collected, paid
 17 into an allocation fund for that allocation area that may be used by
 18 the redevelopment district only to do one (1) or more of the
 19 following:
 20 (A) Pay the principal of and interest on any obligations
 21 payable solely from allocated tax proceeds which are incurred
 22 by the redevelopment district for the purpose of financing or
 23 refinancing the redevelopment of that allocation area.
 24 (B) Establish, augment, or restore the debt service reserve for
 25 bonds payable solely or in part from allocated tax proceeds in
 26 that allocation area.
 27 (C) Pay the principal of and interest on bonds payable from
 28 allocated tax proceeds in that allocation area and from the
 29 special tax levied under section 27 of this chapter.
 30 (D) Pay the principal of and interest on bonds issued by the
 31 unit to pay for local public improvements that are physically
 32 located in or physically connected to that allocation area.
 33 (E) Pay premiums on the redemption before maturity of bonds
 34 payable solely or in part from allocated tax proceeds in that
 35 allocation area.
 36 (F) Make payments on leases payable from allocated tax
 37 proceeds in that allocation area under section 25.2 of this
 38 chapter.
 39 (G) Reimburse the unit for expenditures made by it for local
 40 public improvements (which include buildings, parking
 41 facilities, and other items described in section 25.1(a) of this
 42 chapter) that are physically located in or physically connected

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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) (**repealed**), IC 6-1.1-21-2(g)(2) (**repealed**), IC 6-1.1-21-2(g)(3) (**repealed**), IC 6-1.1-21-2(g)(4) (**repealed**), and IC 6-1.1-21-2(g)(5) (**repealed**) 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 (**repealed**)) for that year as determined under IC 6-1.1-21-4 (**repealed**) 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 (**repealed**)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

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

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

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- (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 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).

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under section 25.3 of this chapter.

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

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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 (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 **of real property in an area under IC 6-1.1-4 and after each reassessment in an area under a reassessment plan prepared** under ~~IC 6-1.1-4~~, **IC 6-1.1-4-4.2**, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ **reassessment of the real property in the area** on the property tax proceeds allocated

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

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

- 17 (1) The initial allocation deadline is December 31, 2011.
- 18 (2) Subject to subdivision (3), the initial allocation deadline and
 19 subsequent allocation deadlines are automatically extended in
 20 increments of five (5) years, so that allocation deadlines
 21 subsequent to the initial allocation deadline fall on December 31,
 22 2016, and December 31 of each fifth year thereafter.
- 23 (3) At least one (1) year before the date of an allocation deadline
 24 determined under subdivision (2), the general assembly may enact
 25 a law that:
 - 26 (A) terminates the automatic extension of allocation deadlines
 27 under subdivision (2); and
 - 28 (B) specifically designates a particular date as the final
 29 allocation deadline.

30 SECTION 49. IC 36-7-15.1-26, AS AMENDED BY
 31 P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 26. (a) As used
 33 in this section:

34 "Allocation area" means that part of a redevelopment project area
 35 to which an allocation provision of a resolution adopted under section
 36 8 of this chapter refers for purposes of distribution and allocation of
 37 property taxes.

38 "Base assessed value" means the following:

- 39 (1) If an allocation provision is adopted after June 30, 1995, in a
 40 declaratory resolution or an amendment to a declaratory
 41 resolution establishing an economic development area:
 - 42 (A) the net assessed value of all the property as finally

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determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

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

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

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

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

(3) If:

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

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

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

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

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

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the

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1 definition in subdivision (2) applies to the expanded part of the
 2 area added after June 30, 1997.

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

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

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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 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

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connected to that allocation area under any lease entered into under IC 36-1-10.

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

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

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

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

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

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the

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property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2).

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

- (1) the assessed value of the property for the assessment date with 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:

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1 (1) the assessed value of the property as valued without regard to
 2 this section; or
 3 (2) the base assessed value.
 4 (g) If any part of the allocation area is located in an enterprise zone
 5 created under IC 5-28-15, the unit that designated the allocation area
 6 shall create funds as specified in this subsection. A unit that has
 7 obligations, bonds, or leases payable from allocated tax proceeds under
 8 subsection (b)(2) shall establish an allocation fund for the purposes
 9 specified in subsection (b)(2) and a special zone fund. Such a unit
 10 shall, until the end of the enterprise zone phase out period, deposit each
 11 year in the special zone fund the amount in the allocation fund derived
 12 from property tax proceeds in excess of those described in subsection
 13 (b)(1) from property located in the enterprise zone that exceeds the
 14 amount sufficient for the purposes specified in subsection (b)(2) for the
 15 year. A unit that has no obligations, bonds, or leases payable from
 16 allocated tax proceeds under subsection (b)(2) shall establish a special
 17 zone fund and deposit all the property tax proceeds in excess of those
 18 described in subsection (b)(1) in the fund derived from property tax
 19 proceeds in excess of those described in subsection (b)(1) from
 20 property located in the enterprise zone. The unit that creates the special
 21 zone fund shall use the fund, based on the recommendations of the
 22 urban enterprise association, for one (1) or more of the following
 23 purposes:
 24 (1) To pay for programs in job training, job enrichment, and basic
 25 skill development designed to benefit residents and employers in
 26 the enterprise zone. The programs must reserve at least one-half
 27 (1/2) of the enrollment in any session for residents of the
 28 enterprise zone.
 29 (2) To make loans and grants for the purpose of stimulating
 30 business activity in the enterprise zone or providing employment
 31 for enterprise zone residents in the enterprise zone. These loans
 32 and grants may be made to the following:
 33 (A) Businesses operating in the enterprise zone.
 34 (B) Businesses that will move their operations to the enterprise
 35 zone if such a loan or grant is made.
 36 (3) To provide funds to carry out other purposes specified in
 37 subsection (b)(2). However, where reference is made in
 38 subsection (b)(2) to the allocation area, the reference refers for
 39 purposes of payments from the special zone fund only to that part
 40 of the allocation area that is also located in the enterprise zone.
 41 (h) The state board of accounts and department of local government
 42 finance shall make the rules and prescribe the forms and procedures

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

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

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

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

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

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

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

36 SECTION 50. IC 36-7-15.1-53, AS AMENDED BY
 37 P.L.182-2009(ss), SECTION 407, IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 53. (a) As used
 39 in this section:

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

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1 property taxes.

2 "Base assessed value" means:

3 (1) the net assessed value of all the property as finally determined

4 for the assessment date immediately preceding the effective date

5 of the allocation provision of the declaratory resolution, as

6 adjusted under subsection (h); plus

7 (2) to the extent that it is not included in subdivision (1), the net

8 assessed value of property that is assessed as residential property

9 under the rules of the department of local government finance, as

10 finally determined for any assessment date after the effective date

11 of the allocation provision.

12 Except as provided in section 55 of this chapter, "property taxes"

13 means taxes imposed under IC 6-1.1 on real property.

14 (b) A resolution adopted under section 40 of this chapter on or

15 before the allocation deadline determined under subsection (i) may

16 include a provision with respect to the allocation and distribution of

17 property taxes for the purposes and in the manner provided in this

18 section. A resolution previously adopted may include an allocation

19 provision by the amendment of that resolution on or before the

20 allocation deadline determined under subsection (i) in accordance with

21 the procedures required for its original adoption. A declaratory

22 resolution or an amendment that establishes an allocation provision

23 must be approved by resolution of the legislative body of the excluded

24 city and must specify an expiration date for the allocation provision.

25 For an allocation area established before July 1, 2008, the expiration

26 date may not be more than thirty (30) years after the date on which the

27 allocation provision is established. For an allocation area established

28 after June 30, 2008, the expiration date may not be more than

29 twenty-five (25) years after the date on which the first obligation was

30 incurred to pay principal and interest on bonds or lease rentals on

31 leases payable from tax increment revenues. However, with respect to

32 bonds or other obligations that were issued before July 1, 2008, if any

33 of the bonds or other obligations that were scheduled when issued to

34 mature before the specified expiration date and that are payable only

35 from allocated tax proceeds with respect to the allocation area remain

36 outstanding as of the expiration date, the allocation provision does not

37 expire until all of the bonds or other obligations are no longer

38 outstanding. The allocation provision may apply to all or part of the

39 redevelopment project area. The allocation provision must require that

40 any property taxes subsequently levied by or for the benefit of any

41 public body entitled to a distribution of property taxes on taxable

42 property in the allocation area be allocated and distributed as follows:

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- (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
 - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;
 - or
 - (B) the base assessed value;
 shall be allocated to and, when collected, paid into the funds of the respective taxing units.
- (2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:
 - (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
 - (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
 - (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.
 - (D) Pay the principal of and interest on bonds issued by the excluded city to pay for local public improvements that are physically located in or physically connected to that allocation area.
 - (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
 - (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.
 - (G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.
 - (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into

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under IC 36-1-10.
(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:
(i) in the allocation area; and
(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

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

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

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

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are 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

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1 commission. The commission may not authorize an allocation
2 to the respective taxing units under this subdivision if to do so
3 would endanger the interests of the holders of bonds described
4 in subdivision (2).

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

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

11 (2) the base assessed value.

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

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

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

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

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone
29 created under IC 5-28-15, the unit that designated the allocation area
30 shall create funds as specified in this subsection. A unit that has
31 obligations, bonds, or leases payable from allocated tax proceeds under
32 subsection (b)(2) shall establish an allocation fund for the purposes
33 specified in subsection (b)(2) and a special zone fund. Such a unit
34 shall, until the end of the enterprise zone phase out period, deposit each
35 year in the special zone fund the amount in the allocation fund derived
36 from property tax proceeds in excess of those described in subsection
37 (b)(1) from property located in the enterprise zone that exceeds the
38 amount sufficient for the purposes specified in subsection (b)(2) for the
39 year. A unit that has no obligations, bonds, or leases payable from
40 allocated tax proceeds under subsection (b)(2) shall establish a special
41 zone fund and deposit all the property tax proceeds in excess of those
42 described in subsection (b)(1) in the fund derived from property tax

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1 proceeds in excess of those described in subsection (b)(1) from
 2 property located in the enterprise zone. The unit that creates the special
 3 zone fund shall use the fund, based on the recommendations of the
 4 urban enterprise association, for one (1) or more of the following
 5 purposes:

6 (1) To pay for programs in job training, job enrichment, and basic
 7 skill development designed to benefit residents and employers in
 8 the enterprise zone. The programs must reserve at least one-half
 9 (1/2) of the enrollment in any session for residents of the
 10 enterprise zone.

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

15 (A) Businesses operating in the enterprise zone.

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

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

23 (h) The state board of accounts and department of local government
 24 finance shall make the rules and prescribe the forms and procedures
 25 that they consider expedient for the implementation of this chapter.
 26 After each general reassessment **of real property in an area under**
 27 **IC 6-1.1-4-4 or reassessment under a county's reassessment plan**
 28 **prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2**, the department of local
 29 government finance shall adjust the base assessed value one (1) time
 30 to neutralize any effect of the ~~general~~ **reassessment of the real**
 31 **property in the area** on the property tax proceeds allocated to the
 32 redevelopment district under this section. After each annual adjustment
 33 under IC 6-1.1-4-4.5, the department of local government finance shall
 34 adjust the base assessed value to neutralize any effect of the annual
 35 adjustment on the property tax proceeds allocated to the redevelopment
 36 district under this section. However, the adjustments under this
 37 subsection may not include the effect of property tax abatements under
 38 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 39 proceeds allocable to the redevelopment district under subsection
 40 (b)(2) than would otherwise have been received if the general
 41 reassessment, **reassessment under the county's reassessment plan**,
 42 or annual adjustment had not occurred. The department of local

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1 government finance may prescribe procedures for county and township
2 officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

18 SECTION 51. IC 36-7-30-25, AS AMENDED BY P.L.104-2010,
19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JANUARY 1, 2012]: Sec. 25. (a) The following definitions apply
21 throughout this section:

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

26 (2) "Base assessed value" means:

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

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

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

41 Clause (C) applies only to allocation areas established in a
42 military reuse area after June 30, 1997, and to the part of an

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1 allocation area that was established before June 30, 1997, and that
 2 is added to an existing allocation area after June 30, 1997.
 3 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 4 property.
 5 (b) A declaratory resolution adopted under section 10 of this chapter
 6 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 7 resolutions adopted under IC 36-7-14-15 may include a provision with
 8 respect to the allocation and distribution of property taxes for the
 9 purposes and in the manner provided in this section. A declaratory
 10 resolution previously adopted may include an allocation provision by
 11 the amendment of that declaratory resolution in accordance with the
 12 procedures set forth in section 13 of this chapter. The allocation
 13 provision may apply to all or part of the military base reuse area. The
 14 allocation provision must require that any property taxes subsequently
 15 levied by or for the benefit of any public body entitled to a distribution
 16 of property taxes on taxable property in the allocation area be allocated
 17 and distributed as follows:
 18 (1) Except as otherwise provided in this section, the proceeds of
 19 the taxes attributable to the lesser of:
 20 (A) the assessed value of the property for the assessment date
 21 with respect to which the allocation and distribution is made;
 22 or
 23 (B) the base assessed value;
 24 shall be allocated to and, when collected, paid into the funds of
 25 the respective taxing units.
 26 (2) Except as otherwise provided in this section, property tax
 27 proceeds in excess of those described in subdivision (1) shall be
 28 allocated to the military base reuse district and, when collected,
 29 paid into an allocation fund for that allocation area that may be
 30 used by the military base reuse district and only to do one (1) or
 31 more of the following:
 32 (A) Pay the principal of and interest and redemption premium
 33 on any obligations incurred by the military base reuse district
 34 or any other entity for the purpose of financing or refinancing
 35 military base reuse activities in or directly serving or
 36 benefiting that allocation area.
 37 (B) Establish, augment, or restore the debt service reserve for
 38 bonds payable solely or in part from allocated tax proceeds in
 39 that allocation area or from other revenues of the reuse
 40 authority, including lease rental revenues.
 41 (C) Make payments on leases payable solely or in part from
 42 allocated tax proceeds in that allocation area.

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

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

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

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

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

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

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

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

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

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

8 The county auditor shall allocate to the respective taxing units
 9 the amount, if any, of excess property tax proceeds determined
 10 by the reuse authority. The reuse authority may not authorize
 11 a payment to the respective taxing units under this subdivision
 12 if to do so would endanger the interest of the holders of bonds
 13 described in subdivision (2) or lessors under section 19 of this
 14 chapter.

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

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

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

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

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

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

38 (g) If any part of the allocation area is located in an enterprise zone
 39 created under IC 5-28-15, the unit that designated the allocation area
 40 shall create funds as specified in this subsection. A unit that has
 41 obligations, bonds, or leases payable from allocated tax proceeds under
 42 subsection (b)(2) shall establish an allocation fund for the purposes

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

26 (h) After each general reassessment of real property in an area
 27 under IC 6-1.1-4-4 or reassessment under the county's
 28 reassessment plan under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2, the department
 29 of local government finance shall adjust the base assessed value one (1)
 30 time to neutralize any effect of the ~~general~~ reassessment of the real
 31 property in the area on the property tax proceeds allocated to the
 32 military base reuse district under this section. After each annual
 33 adjustment under IC 6-1.1-4-4.5, the department of local government
 34 finance shall adjust the base assessed value to neutralize any effect of
 35 the annual adjustment on the property tax proceeds allocated to the
 36 military base reuse district under this section. However, the
 37 adjustments under this subsection may not include the effect of
 38 property tax abatements under IC 6-1.1-12.1, and these adjustments
 39 may not produce less property tax proceeds allocable to the military
 40 base reuse district under subsection (b)(2) than would otherwise have
 41 been received if the general reassessment, **reassessment under the**
 42 **county's reassessment plan**, or annual adjustment had not occurred.

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1 The department of local government finance may prescribe procedures
2 for county and township officials to follow to assist the department in
3 making the adjustments.

4 SECTION 52. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,
5 SECTION 772, IS AMENDED TO READ AS FOLLOWS
6 [EFFECTIVE JANUARY 1, 2012]: Sec. 30. (a) The following
7 definitions apply throughout this section:

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

12 (2) "Base assessed value" means:
13 (A) the net assessed value of all the property as finally
14 determined for the assessment date immediately preceding the
15 adoption date of the allocation provision of the declaratory
16 resolution, as adjusted under subsection (h); plus
17 (B) to the extent that it is not included in clause (A) or (C), the
18 net assessed value of any and all parcels or classes of parcels
19 identified as part of the base assessed value in the declaratory
20 resolution or an amendment to the declaratory resolution, as
21 finally determined for any subsequent assessment date; plus
22 (C) to the extent that it is not included in clause (A) or (B), the
23 net assessed value of property that is assessed as residential
24 property under the rules of the department of local government
25 finance, as finally determined for any assessment date after the
26 effective date of the allocation provision.

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

29 (b) A declaratory resolution adopted under section 16 of this chapter
30 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
31 resolutions adopted under IC 36-7-14-15 may include a provision with
32 respect to the allocation and distribution of property taxes for the
33 purposes and in the manner provided in this section. A declaratory
34 resolution previously adopted may include an allocation provision by
35 the amendment of that declaratory resolution in accordance with the
36 procedures set forth in section 18 of this chapter. The allocation
37 provision may apply to all or part of the military base development
38 area. The allocation provision must require that any property taxes
39 subsequently levied by or for the benefit of any public body entitled to
40 a distribution of property taxes on taxable property in the allocation
41 area be allocated and distributed as follows:

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

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the taxes attributable to the lesser of:

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

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

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

- (A) Pay the principal of and interest and redemption premium on any obligations incurred by the development authority or any other entity for the purpose of financing or refinancing military base development or reuse activities in or directly serving or ~~benefitting~~ **benefiting** that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the development authority, including lease rental revenues.
- (C) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.
- (D) Reimburse any other governmental body for expenditures made for local public improvements (or structures) in or directly serving or ~~benefitting~~ **benefiting** that allocation area.
- (E) For property taxes first due and payable before 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the development authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:
 - STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) (**repealed**), IC 6-1.1-21-2(g)(2) (**repealed**), IC 6-1.1-21-2(g)(3) (**repealed**), IC 6-1.1-21-2(g)(4) (**repealed**), and IC 6-1.1-21-2(g)(5) (**repealed**) 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

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1 **(repealed)** for that year as determined under IC 6-1.1-21-4
2 **(repealed)** that is attributable to the taxing district; by
3 (ii) the STEP ONE sum.
4 STEP THREE: Multiply:
5 (i) the STEP TWO quotient; by
6 (ii) the total amount of the taxpayer's taxes (as defined in
7 IC 6-1.1-21-2 **(repealed)**) levied in the taxing district that
8 have been allocated during that year to an allocation fund
9 under this section.
10 If not all the taxpayers in an allocation area receive the credit
11 in full, each taxpayer in the allocation area is entitled to
12 receive the same proportion of the credit. A taxpayer may not
13 receive a credit under this section and a credit under section
14 32 of this chapter (before its repeal) in the same year.
15 (F) Pay expenses incurred by the development authority for
16 local public improvements or structures that were in the
17 allocation area or directly serving or ~~benefitting~~ **benefitting** the
18 allocation area.
19 (G) Reimburse public and private entities for expenses
20 incurred in training employees of industrial facilities that are
21 located:
22 (i) in the allocation area; and
23 (ii) on a parcel of real property that has been classified as
24 industrial property under the rules of the department of local
25 government finance.
26 However, the total amount of money spent for this purpose in
27 any year may not exceed the total amount of money in the
28 allocation fund that is attributable to property taxes paid by the
29 industrial facilities described in this clause. The
30 reimbursements under this clause must be made not more than
31 three (3) years after the date on which the investments that are
32 the basis for the increment financing are made.
33 The allocation fund may not be used for operating expenses of the
34 development authority.
35 (3) Except as provided in subsection (g), before July 15 of each
36 year the development authority shall do the following:
37 (A) Determine the amount, if any, by which property taxes
38 payable to the allocation fund in the following year will exceed
39 the amount of property taxes necessary to make, when due,
40 principal and interest payments on bonds described in
41 subdivision (2) plus the amount necessary for other purposes
42 described in subdivision (2).

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

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

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

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

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

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

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

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

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lesser of:

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

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

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

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1 adjustment under IC 6-1.1-4-4.5, the department of local government
 2 finance shall adjust the base assessed value to neutralize any effect of
 3 the annual adjustment on the property tax proceeds allocated to the
 4 military base development district under this section. However, the
 5 adjustments under this subsection may not include the effect of
 6 property tax abatements under IC 6-1.1-12.1, and these adjustments
 7 may not produce less property tax proceeds allocable to the military
 8 base development district under subsection (b)(2) than would otherwise
 9 have been received if the general reassessment, **reassessment under**
 10 **the county's reassessment plan**, or annual adjustment had not
 11 occurred. The department of local government finance may prescribe
 12 procedures for county and township officials to follow to assist the
 13 department in making the adjustments.

14 SECTION 53. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,
 15 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2012]: Sec. 19. (a) The state board of accounts and
 17 department of local government finance shall make the rules and
 18 prescribe the forms and procedures that the state board of accounts and
 19 department of local government finance consider appropriate for the
 20 implementation of an allocation area under this chapter.

21 (b) After each general reassessment of **real property in an area**
 22 **under IC 6-1.1-4-4 or reassessment under a reassessment plan**
 23 **prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2**, the department of local
 24 government finance shall adjust the base assessed value one (1) time
 25 to neutralize any effect of the ~~general~~ **reassessment of the real**
 26 **property in the area** on the property tax proceeds allocated to the
 27 certified technology park fund under section 17 of this chapter. After
 28 each annual adjustment under IC 6-1.1-4-4.5, the department of local
 29 government finance shall adjust the base assessed value to neutralize
 30 any effect of the annual adjustment on the property tax proceeds
 31 allocated to the certified technology park fund under section 17 of this
 32 chapter.

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