
SENATE BILL No. 550

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Redevelopment commissions and authorities. Provides that the legislative body of a unit must approve the budget, the tax levy, spending, bond and debt financing, a lease pertaining to bonds or debt financing, payment of capitalized interest, selling of property, and allocation of excess tax revenue of the unit's redevelopment commission and redevelopment authority. Provides that the fiscal officer of a redevelopment commission or redevelopment authority is the fiscal officer of the unit that established the commission or authority. Authorizes the fiscal officer to obtain financial services on a contractual basis.

Effective: July 1, 2011.

Boots, Kenley, Delph, Schneider

January 20, 2011, read first time and referred to Committee on Local Government.

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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. 550



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

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

1 SECTION 1. IC 36-7-14-2, AS AMENDED BY P.L.185-2005,
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2011]: Sec. 2. (a) The clearance, replanning, and
4 redevelopment of areas needing redevelopment under this chapter are
5 public uses and purposes for which public money may be spent and
6 private property may be acquired, **as approved by the legislative body
7 of the unit.**

8 (b) Each unit shall, to the extent feasible under this chapter and
9 consistent with the needs of the unit as a whole, afford a maximum
10 opportunity for rehabilitation or redevelopment of areas by private
11 enterprise.

12 SECTION 2. IC 36-7-14-2.5, AS AMENDED BY P.L.221-2007,
13 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2011]: Sec. 2.5. (a) The assessment, planning, replanning,
15 remediation, development, and redevelopment of economic
16 development areas:

17 (1) are public and governmental functions that cannot be



1 accomplished through the ordinary operations of private
2 enterprise because of:

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

5 (B) the costs of these projects;

6 (2) will:

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

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

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

12 (3) are public uses and purposes for which public money may be
13 spent and private property may be acquired, **as approved by the**
14 **legislative body of the unit.**

15 (b) This section and sections 41 and 43 of this chapter shall be
16 liberally construed to carry out the purposes of this section. **However,**
17 **a redevelopment commission may not incur debt or any obligation**
18 **to make payments using tax revenue without first obtaining the**
19 **approval of the legislative body of the unit.**

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

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

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

41 (d) All of the taxable property within a taxing district is
42 considered to be benefited by redevelopment projects carried out under

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1 this chapter to the extent of the special taxes levied under this chapter.
 2 SECTION 4. IC 36-7-14-8, AS AMENDED BY P.L.190-2005,
 3 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2011]: Sec. 8. (a) The redevelopment commissioners shall
 5 hold a meeting for the purpose of organization not later than thirty (30)
 6 days after they are appointed and, after that, each year on the first day
 7 in January that is not a Saturday, a Sunday, or a legal holiday. They
 8 shall choose one (1) of their members as president, another as vice
 9 president, and another as secretary. These officers shall perform the
 10 duties usually pertaining to their offices and shall serve from the date
 11 of their election until their successors are elected and qualified.

12 (b) ~~The redevelopment commission may appoint a treasurer who~~
 13 ~~need not be a member of fiscal officer of the redevelopment~~
 14 ~~commission is the fiscal officer of the unit that established the~~
 15 ~~commission. However, the redevelopment commission fiscal officer~~
 16 ~~of the commission may provide for the payment of compensation to a~~
 17 ~~treasurer who is not a member of the redevelopment commission~~
 18 ~~obtain financial services on a contractual basis for the purposes of~~
 19 ~~carrying out the powers and duties of the commission and~~
 20 ~~protecting the public interests related to the operations and~~
 21 ~~funding of the commission. Notwithstanding any other provision of~~
 22 ~~this chapter, the treasurer fiscal officer of the commission has charge~~
 23 ~~over and is responsible for the administration, investment, and~~
 24 ~~disbursement of all funds and accounts of the redevelopment~~
 25 ~~commission in accordance with the requirements of this chapter. The~~
 26 ~~treasurer may not perform any duties of the fiscal officer or any other~~
 27 ~~officer of the unit that are prescribed by section 24 of this chapter or by~~
 28 ~~any provisions of this chapter that pertain to the issuance and sale of~~
 29 ~~bonds, notes, or warrants of the special taxing district. state law that~~
 30 ~~apply to other funds and accounts administered by the fiscal~~
 31 ~~officer.~~

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

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

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action.

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

SECTION 5. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 12.2. (a) The redevelopment commission may do the following:

- (1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.
- (2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.
- (3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
- (4) Clear real property acquired for redevelopment purposes.
- (5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:
 - (A) Hazardous substances.
 - (B) Petroleum.
 - (C) Other pollutants.
- (6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:
 - (A) Hazardous substances.
 - (B) Petroleum.
 - (C) Other pollutants.
- (7) Repair and maintain structures acquired for redevelopment purposes.
- (8) Remodel, rebuild, enlarge, or make major structural

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- 1 improvements on structures acquired for redevelopment purposes.
- 2 (9) Survey or examine any land to determine whether it should be
- 3 included within an area needing redevelopment to be acquired for
- 4 redevelopment purposes and to determine the value of that land.
- 5 (10) Appear before any other department or agency of the unit, or
- 6 before any other governmental agency in respect to any matter
- 7 affecting:
- 8 (A) real property acquired or being acquired for
- 9 redevelopment purposes; or
- 10 (B) any area needing redevelopment within the jurisdiction of
- 11 the commissioners.
- 12 (11) Institute or defend in the name of the unit any civil action.
- 13 (12) Use any legal or equitable remedy that is necessary or
- 14 considered proper to protect and enforce the rights of and perform
- 15 the duties of the department of redevelopment.
- 16 (13) Exercise the power of eminent domain in the name of and
- 17 within the corporate boundaries of the unit in the manner
- 18 prescribed by section 20 of this chapter.
- 19 (14) Appoint an executive director, appraisers, real estate experts,
- 20 engineers, architects, surveyors, and attorneys.
- 21 (15) Appoint clerks, guards, laborers, and other employees the
- 22 commission considers advisable, except that those appointments
- 23 must be made in accordance with the merit system of the unit if
- 24 such a system exists.
- 25 (16) Prescribe the duties and regulate the compensation of
- 26 employees of the department of redevelopment.
- 27 (17) Provide a pension and retirement system for employees of
- 28 the department of redevelopment by using the Indiana public
- 29 employees' retirement fund or a retirement plan approved by the
- 30 United States Department of Housing and Urban Development.
- 31 (18) Discharge and appoint successors to employees of the
- 32 department of redevelopment subject to subdivision (15).
- 33 (19) Rent offices for use of the department of redevelopment, or
- 34 accept the use of offices furnished by the unit.
- 35 (20) Equip the offices of the department of redevelopment with
- 36 the necessary furniture, furnishings, equipment, records, and
- 37 supplies.
- 38 (21) Expend, on behalf of the special taxing district, all or any
- 39 part of the money of the special taxing district.
- 40 (22) Contract for the construction of:
- 41 (A) local public improvements (as defined in IC 36-7-14.5-6)
- 42 or structures that are necessary for redevelopment of areas

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1 needing redevelopment or economic development within the
2 corporate boundaries of the unit; or
3 (B) any structure that enhances development or economic
4 development.
5 (23) Contract for the construction, extension, or improvement of
6 pedestrian skyways.
7 (24) Accept loans, grants, and other forms of financial assistance
8 from the federal government, the state government, a municipal
9 corporation, a special taxing district, a foundation, or any other
10 source.
11 (25) Provide financial assistance (including grants and loans) to
12 enable individuals and families to purchase or lease residential
13 units within the district. However, financial assistance may be
14 provided only to individuals and families whose income is at or
15 below the unit's median income for individuals and families,
16 respectively.
17 (26) Provide financial assistance (including grants and loans) to
18 neighborhood development corporations to permit them to:
19 (A) provide financial assistance for the purposes described in
20 subdivision (25); or
21 (B) construct, rehabilitate, or repair commercial property
22 within the district.
23 (27) Require as a condition of financial assistance to the owner of
24 a multiple unit residential structure that any of the units leased by
25 the owner must be leased:
26 (A) for a period to be determined by the commission, which
27 may not be less than five (5) years;
28 (B) to families whose income does not exceed eighty percent
29 (80%) of the unit's median income for families; and
30 (C) at an affordable rate.
31 (b) Conditions imposed by the commission under subsection (a)(27)
32 remain in force throughout the period determined under subsection
33 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
34 subsequent owner or lessee is bound by the conditions for the
35 remainder of the period.
36 (c) As used in this section, "pedestrian skyway" means a pedestrian
37 walkway within or outside of the public right-of-way and through and
38 above public or private property and buildings, including all structural
39 supports required to connect skyways to buildings or buildings under
40 construction. Pedestrian skyways constructed, extended, or improved
41 over or through public or private property constitute public property
42 and public improvements, constitute a public use and purpose, and do

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not require vacation of any public way or other property.

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

SECTION 6. IC 36-7-14-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Within thirty (30) days after the close of each calendar year, the redevelopment commissioners shall file with the unit's executive a report setting out their activities during the preceding calendar year.

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

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

(d) A redevelopment commission and a department of redevelopment are subject to the same laws, rules, and ordinances that apply to other commissions or departments of the unit and any additional policies prescribed by the legislative body of the unit.

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

- (1) Real property:
 - (A) that was acquired by the commission to carry out a redevelopment project, an economic development area project, or an urban renewal project; and
 - (B) relative to which the commission has, at a public hearing, decided that the real property is not needed to complete the redevelopment activity, an economic development activity, or urban renewal activity in the project area.
- (2) Real property acquired under this chapter that is not in a redevelopment project area, economic development area, or an urban renewal project area.

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

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

6 However, this section does not apply to property acquired under section
7 32.5 of this chapter.

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

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

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

14 (3) Control the use of the property.

15 (4) Lease the property.

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

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

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

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

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

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

34 **The commission shall provide to the legislative body at the public**
35 **meeting all the information supporting the action the commission**
36 **proposes to take under this subsection, including any terms and**
37 **conditions the commission would have to agree to in order to carry**
38 **out the action.**

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

41 (1) group together properties for disposition in a manner that will
42 best serve the interest of the community, from the standpoint of

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1 both human and economic welfare; and
 2 (2) group together nearby or similar properties to facilitate
 3 convenient disposition.
 4 SECTION 8. IC 36-7-14-25.1, AS AMENDED BY P.L.146-2008,
 5 SECTION 732, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2011]: Sec. 25.1. (a) In addition to other
 7 methods of raising money for property acquisition or redevelopment in
 8 a redevelopment project area, and in anticipation of the special tax to
 9 be levied under section 27 of this chapter, the taxes allocated under
 10 section 39 of this chapter, or other revenues of the district, or any
 11 combination of these sources, the redevelopment commission may, by
 12 resolution and subject to subsection (p), issue the bonds of the special
 13 taxing district in the name of the unit. The amount of the bonds may
 14 not exceed the total, as estimated by the commission, of all expenses
 15 reasonably incurred in connection with the acquisition and
 16 redevelopment of the property, including:
 17 (1) the total cost of all land, rights-of-way, and other property to
 18 be acquired and redeveloped;
 19 (2) all reasonable and necessary architectural, engineering, legal,
 20 financing, accounting, advertising, bond discount, and
 21 supervisory expenses related to the acquisition and redevelopment
 22 of the property or the issuance of bonds;
 23 (3) capitalized interest permitted by this chapter and a debt
 24 service reserve for the bonds to the extent the redevelopment
 25 commission determines that a reserve is reasonably required; and
 26 (4) expenses that the redevelopment commission is required or
 27 permitted to pay under IC 8-23-17.
 28 (b) If the redevelopment commission plans to acquire different
 29 parcels of land or let different contracts for redevelopment work at
 30 approximately the same time, whether under one (1) or more
 31 resolutions, the commission may provide for the total cost in one (1)
 32 issue of bonds.
 33 (c) **The legislative body of the unit must adopt a bond resolution**
 34 **that includes the amount, term, and public purpose of the bond and**
 35 **the use of its proceeds.** The bonds must be dated as set forth in the
 36 bond resolution and negotiable, subject to the requirements of the bond
 37 resolution for registering the bonds. The resolution authorizing the
 38 bonds must state:
 39 (1) the denominations of the bonds;
 40 (2) the place or places at which the bonds are payable; and
 41 (3) the term of the bonds, which may not exceed:
 42 (A) fifty (50) years, for bonds issued before July 1, 2008;

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- 1 (B) thirty (30) years, for bonds issued after June 30, 2008, to
- 2 finance:
- 3 (i) an integrated coal gasification powerplant (as defined in
- 4 IC 6-3.1-29-6);
- 5 (ii) a part of an integrated coal gasification powerplant (as
- 6 defined in IC 6-3.1-29-6); or
- 7 (iii) property used in the operation or maintenance of an
- 8 integrated coal gasification powerplant (as defined in
- 9 IC 6-3.1-29-6);
- 10 that received a certificate of public convenience and necessity
- 11 from the Indiana utility regulatory commission under
- 12 IC 8-1-8.5 et seq. before July 1, 2008; or
- 13 (C) twenty-five (25) years, for bonds issued after June 30,
- 14 2008, that are not described in clause (B).

15 The resolution may also state that the bonds are redeemable before
 16 maturity with or without a premium, as determined by the
 17 redevelopment commission **and approved by the legislative body of**
 18 **the unit.**

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

24 (e) The bonds must be executed by the appropriate officer of the:
 25 **(1) legislative body; and**
 26 **(2) executive;**
 27 **of the unit and attested by the municipal or county fiscal officer.**

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

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

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

42 (i) The bonds are not a corporate obligation of the unit but are an

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1 indebtedness of the taxing district. The bonds and interest are payable,
 2 as set forth in the bond resolution of the ~~redevelopment commission~~
 3 **legislative body:**
 4 (1) from a special tax levied upon all of the property in the taxing
 5 district, as provided by section 27 of this chapter;
 6 (2) from the tax proceeds allocated under section 39(b)(2) of this
 7 chapter;
 8 (3) from other revenues available to the redevelopment
 9 commission; or
 10 (4) from a combination of the methods stated in subdivisions (1)
 11 through (3).

12 If the bonds are payable solely from the tax proceeds allocated under
 13 section 39(b)(2) of this chapter, other revenues of the redevelopment
 14 commission, or any combination of these sources, they may be issued
 15 in ~~any amount without limitation~~. **the amount approved by the**
 16 **legislative body in the bond resolution, which may not exceed the**
 17 **amount that would cause the projected annual bond payments to**
 18 **exceed the annual tax proceeds projected to be allocated under**
 19 **section 39(b)(2) of this chapter.**

20 (j) Proceeds from the sale of bonds may be used to pay the cost of
 21 interest on the bonds for a period not to exceed ~~five (5)~~ **two (2)** years
 22 from the date of issuance. **The payment of capitalized interest must**
 23 **be specifically approved by the legislative body of the unit.**

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

32 (l) All laws relating to:
 33 (1) the filing of petitions requesting the issuance of bonds; and
 34 (2) the right of:
 35 (A) taxpayers and voters to remonstrate against the issuance of
 36 bonds in the case of a proposed bond issue described by
 37 IC 6-1.1-20-3.1(a); or
 38 (B) voters to vote on the issuance of bonds in the case of a
 39 proposed bond issue described by IC 6-1.1-20-3.5(a);
 40 apply to bonds issued under this chapter except for bonds payable
 41 solely from tax proceeds allocated under section 39(b)(2) of this
 42 chapter, other revenues of the redevelopment commission, or any

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1 combination of these sources.

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

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

8 (1) deposited in the allocation fund established under section
9 39(b)(2) of this chapter; and

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

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

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

38 SECTION 9. IC 36-7-14-25.2, AS AMENDED BY P.L.146-2008,
39 SECTION 733, IS AMENDED TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2011]: Sec. 25.2. (a) **Subject to the prior**
41 **approval of the legislative body of the unit**, a redevelopment
42 commission may enter into a lease of any property that could be

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1 financed with the proceeds of bonds issued under this chapter with a
2 lessor for a term not to exceed:

- 3 (1) fifty (50) years, for a lease entered into before July 1, 2008; or
- 4 (2) twenty-five (25) years, for a lease entered into after June 30,
- 5 2008.

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

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

17 (c) A lease may be entered into by the redevelopment commission
18 only after a public hearing by the redevelopment commission at which
19 all interested parties are provided the opportunity to be heard. After the
20 public hearing, the redevelopment commission may adopt a resolution
21 authorizing the execution of the lease on behalf of the unit if it finds
22 that the service to be provided throughout the term of the lease will
23 serve the public purpose of the unit and is in the best interests of its
24 residents. Any lease approved by a resolution of the redevelopment
25 commission must be approved by an ordinance of the fiscal body of the
26 unit.

27 (d) Upon execution of a lease providing for payments by the
28 redevelopment commission in whole or in part from the levy of special
29 benefits taxes under section 27 of this chapter and upon approval of the
30 lease by the unit's fiscal body, the redevelopment commission shall
31 publish notice of the execution of the lease and its approval in
32 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
33 redevelopment district who will be affected by the lease and who may
34 be of the opinion that no necessity exists for the execution of the lease
35 or that the payments provided for in the lease are not fair and
36 reasonable may file a petition in the office of the county auditor within
37 thirty (30) days after the publication of the notice of execution and
38 approval. The petition must set forth the petitioners' names, addresses,
39 and objections to the lease and the facts showing that the execution of
40 the lease is unnecessary or unwise or that the payments provided for in
41 the lease are not fair and reasonable, as the case may be.

42 (e) Upon the filing of the petition, the county auditor shall

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

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

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

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

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

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

38 (j) If a redevelopment commission exercises an option to buy a
 39 leased facility from a lessor, the redevelopment commission may
 40 subsequently sell the leased facility, without regard to any other statute,
 41 to the lessor at the end of the lease term at a price set forth in the lease
 42 or at fair market value established at the time of the sale by the

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1 redevelopment commission through auction, appraisal, or arms length
 2 negotiation. If the facility is sold at auction, after appraisal, or through
 3 negotiation, the redevelopment commission shall conduct a hearing
 4 after public notice in accordance with IC 5-3-1 before the sale. Any
 5 action to contest the sale must be brought within fifteen (15) days of
 6 the hearing.

7 SECTION 10. IC 36-7-14-27, AS AMENDED BY P.L.146-2008,
 8 SECTION 734, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2011]: Sec. 27. (a) This section applies only to:

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

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

12 which are payable from a special tax levied upon all of the property in
 13 the special taxing district. This section does not apply to bonds or
 14 leases that are payable solely from tax proceeds allocated under section
 15 39(b)(2) of this chapter, other revenues of the redevelopment
 16 commission, or any combination of these sources.

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

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

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

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

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

15 SECTION 11. IC 36-7-14-27.5, AS AMENDED BY P.L.146-2008,
 16 SECTION 735, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2011]: Sec. 27.5. (a) **Subject to the prior**
 18 **approval by the legislative body of the unit**, the redevelopment
 19 commission may borrow money in anticipation of receipt of the
 20 proceeds of taxes levied for the redevelopment district bond fund and
 21 not yet collected, and may evidence this borrowing by issuing warrants
 22 of the redevelopment district. However, the aggregate principal amount
 23 of warrants issued in anticipation of and payable from the same tax
 24 levy or levies may not exceed an amount equal to eighty percent (80%)
 25 of that tax levy or levies, as certified by the department of local
 26 government finance, or as determined by multiplying the rate of tax as
 27 finally approved by the total assessed valuation (after deducting all
 28 mortgage deductions) within the redevelopment district, as most
 29 recently certified by the county auditor.

30 (b) The warrants may be authorized and issued at any time after the
 31 tax or taxes in anticipation of which they are issued have been levied
 32 by the redevelopment commission. For purposes of this section, taxes
 33 for any year are considered to be levied upon adoption by the
 34 commission of a resolution prescribing the tax levies for the year.
 35 However, the warrants may not be delivered and paid for before final
 36 approval of the tax levy or levies by the county board of tax adjustment
 37 or, if appealed, by the department of local government finance, unless
 38 the issuance of the warrants has been approved by the department.

39 (c) All action that this section requires or authorizes the
 40 redevelopment commission to take may be taken by resolution, which
 41 need not be published or posted. The resolution takes effect
 42 immediately upon its adoption by the redevelopment commission. An

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1 action to contest the validity of tax anticipation warrants may not be
2 brought later than ten (10) days after the sale date.

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

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

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

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

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

32 SECTION 12. IC 36-7-14-39, AS AMENDED BY
33 P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 39. (a) As used in this
35 section:

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

40 "Base assessed value" means the following:

- 41 (1) If an allocation provision is adopted after June 30, 1995, in a
42 declaratory resolution or an amendment to a declaratory

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resolution establishing an economic development area:

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

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

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

(3) If:

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

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

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

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

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

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

18 (b) A declaratory resolution adopted under section 15 of this chapter
 19 on or before the allocation deadline determined under subsection (i)
 20 may include a provision with respect to the allocation and distribution
 21 of property taxes for the purposes and in the manner provided in this
 22 section. A declaratory resolution previously adopted may include an
 23 allocation provision by the amendment of that declaratory resolution on
 24 or before the allocation deadline determined under subsection (i) in
 25 accordance with the procedures required for its original adoption. A
 26 declaratory resolution or an amendment that establishes an allocation
 27 provision after June 30, 1995, must specify an expiration date for the
 28 allocation provision. For an allocation area established before July 1,
 29 2008, the expiration date may not be more than thirty (30) years after
 30 the date on which the allocation provision is established. For an
 31 allocation area established after June 30, 2008, the expiration date may
 32 not be more than twenty-five (25) years after the date on which the first
 33 obligation was incurred to pay principal and interest on bonds or lease
 34 rentals on leases payable from tax increment revenues. However, with
 35 respect to bonds or other obligations that were issued before July 1,
 36 2008, if any of the bonds or other obligations that were scheduled when
 37 issued to mature before the specified expiration date and that are
 38 payable only from allocated tax proceeds with respect to the allocation
 39 area remain outstanding as of the expiration date, the allocation
 40 provision does not expire until all of the bonds or other obligations are
 41 no longer outstanding. The allocation provision may apply to all or part
 42 of the redevelopment project area. The allocation provision must

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1 require that any property taxes subsequently levied by or for the benefit
 2 of any public body entitled to a distribution of property taxes on taxable
 3 property in the allocation area be allocated and distributed as follows:
 4 (1) Except as otherwise provided in this section, the proceeds of
 5 the taxes attributable to the lesser of:
 6 (A) the assessed value of the property for the assessment date
 7 with respect to which the allocation and distribution is made;
 8 or
 9 (B) the base assessed value;
 10 shall be allocated to and, when collected, paid into the funds of
 11 the respective taxing units.
 12 (2) Except as otherwise provided in this section, property tax
 13 proceeds in excess of those described in subdivision (1) shall be
 14 allocated **as provided by the legislative body of the unit and**
 15 **may be allocated** to the redevelopment district. ~~and, The excess,~~
 16 when collected, **shall be paid into the various funds designated**
 17 **by the legislative body of the unit. The proceeds allocated to**
 18 **an allocation fund for that an allocation area that may be used by**
 19 **the redevelopment district, after the prior specific approval of**
 20 **the legislative body of the unit,** only to do one (1) or more of the
 21 following:
 22 (A) Pay the principal of and interest on any obligations
 23 payable solely from allocated tax proceeds which are incurred
 24 by the redevelopment district for the purpose of financing or
 25 refinancing the redevelopment of that allocation area.
 26 (B) Establish, augment, or restore the debt service reserve for
 27 bonds payable solely or in part from allocated tax proceeds in
 28 that allocation area.
 29 (C) Pay the principal of and interest on bonds payable from
 30 allocated tax proceeds in that allocation area and from the
 31 special tax levied under section 27 of this chapter.
 32 (D) Pay the principal of and interest on bonds issued by the
 33 unit to pay for local public improvements that are physically
 34 located in or physically connected to that allocation area.
 35 (E) Pay premiums on the redemption before maturity of bonds
 36 payable solely or in part from allocated tax proceeds in that
 37 allocation area.
 38 (F) Make payments on leases payable from allocated tax
 39 proceeds in that allocation area under section 25.2 of this
 40 chapter.
 41 (G) Reimburse the unit for expenditures made by it for local
 42 public improvements (which include buildings, parking

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

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

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

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

19 STEP TWO: Divide:

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

25 STEP THREE: Multiply:

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

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

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

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

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

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

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

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

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when 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

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subdivision (2).

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

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

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

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

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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 any 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. The amount sufficient for purposes specified in subsection (b)(2)
 16 for the year shall be determined based on the pro rata portion of such
 17 current property tax proceeds from the part of the enterprise zone that
 18 is within the allocation area as compared to all such current property
 19 tax proceeds derived from the allocation area. A unit that has no
 20 obligations, bonds, or leases payable from allocated tax proceeds under
 21 subsection (b)(2) shall establish a special zone fund and deposit all the
 22 property tax proceeds in excess of those described in subsection (b)(1)
 23 in the fund derived from property tax proceeds in excess of those
 24 described in subsection (b)(1) from property located in the enterprise
 25 zone. The unit that creates the special zone fund shall use the fund
 26 (based on the recommendations of the urban enterprise association) for
 27 programs in job training, job enrichment, and basic skill development
 28 that are designed to benefit residents and employers in the enterprise
 29 zone or other purposes specified in subsection (b)(2), except that where
 30 reference is made in subsection (b)(2) to allocation area it shall refer
 31 for purposes of payments from the special zone fund only to that part
 32 of the allocation area that is also located in the enterprise zone. Those
 33 programs shall reserve at least one-half (1/2) of their enrollment in any
 34 session for residents of the enterprise zone.
 35 (h) The state board of accounts and department of local government
 36 finance shall make the rules and prescribe the forms and procedures
 37 that they consider expedient for the implementation of this chapter.
 38 After each general reassessment under IC 6-1.1-4, the department of
 39 local government finance shall adjust the base assessed value one (1)
 40 time to neutralize any effect of the general reassessment on the
 41 property tax proceeds allocated to the redevelopment district under this
 42 section. After each annual adjustment under IC 6-1.1-4-4.5, the

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

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

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

27 SECTION 13. IC 36-7-14-43, AS AMENDED BY P.L.146-2008,
 28 SECTION 740, IS AMENDED TO READ AS FOLLOWS
 29 [EFFECTIVE JULY 1, 2011]: Sec. 43. (a) All of the rights, powers,
 30 privileges, and immunities that may be exercised by the commission in
 31 a redevelopment project area or urban renewal area may be exercised
 32 by the commission in an economic development area, subject to the
 33 following:

- 34 (1) The content and manner of exercise of these rights, powers,
 35 privileges, and immunities shall be determined by the purposes
 36 and nature of an economic development area. **A right, power,
 37 privilege, or immunity that pertains to issuing bonds or
 38 incurring debt may not be exercised by a redevelopment
 39 commission unless it is first specifically authorized by the
 40 legislative body, regardless of any other law.**
- 41 (2) Real property (or interests in real property) relative to which
 42 action is taken in an economic development area is not required

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1 to meet the conditions described in IC 36-7-1-3.

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

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

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

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

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

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

19 SECTION 14. IC 36-7-14.5-7 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) A _____
21 Redevelopment Authority (the blank to be filled in with a name
22 designated by the legislative body of the unit) may be created in the
23 unit as a separate body corporate and politic and as an instrumentality
24 of the unit to exercise any power granted to the authority under this
25 chapter.

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

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

30 SECTION 15. IC 36-7-14.5-9 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 9. (a) Immediately after
32 January 15 of each year, the board shall hold an organizational
33 meeting. It shall elect one (1) of the members president, another vice
34 president, and another ~~secretary-treasurer~~ **secretary** to perform the
35 duties of those offices. These officers serve from the date of their
36 election and until their successors are elected and qualified. The board
37 may elect an assistant ~~secretary-treasurer~~ **secretary**. **The fiscal officer**
38 **of the redevelopment authority is the fiscal officer of the unit that**
39 **established the redevelopment authority. However, the fiscal**
40 **officer of the redevelopment authority may obtain financial**
41 **services on a contractual basis for the purposes of carrying out the**
42 **powers and duties of the redevelopment authority and protecting**

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1 **the public interests related to the operations and funding of the**
 2 **redevelopment authority. The fiscal officer of the commission has**
 3 **charge over and is responsible for the administration, investment,**
 4 **and disbursement of all funds and accounts of the authority in**
 5 **accordance with the requirements of state law that apply to other**
 6 **funds and accounts administered by the fiscal officer.**

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

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

12 SECTION 16. IC 36-7-14.5-13 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 13. (a) Bonds issued
 14 under IC 36-7-14 may be refunded as provided in this section.

15 (b) **Subject to the prior approval of the legislative body of the**
 16 **unit**, the commission may:

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

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

26 SECTION 17. IC 36-7-14.5-14 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) Before a lease
 28 may be entered into, the commission must:

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

31 **(2) obtain the prior approval of the legislative body of the unit**
 32 **if the lease pertains to issuing bonds or incurring debt.**

33 (b) A lease of local public improvements from the authority to the
 34 commission:

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

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

41 (3) may contain provisions:

42 (A) allowing the commission to continue to operate an existing

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- 1 local public improvement until completion of the
 2 improvements, reconstruction, or renovation; and
 3 (B) requiring payment of lease rentals for an existing local
 4 public improvement being used, reconstructed, or renovated;
 5 (4) may contain an option to renew the lease for the same or
 6 shorter term on the conditions provided in the lease;
 7 (5) must contain an option for the commission to purchase the
 8 local public improvement upon the terms stated in the lease
 9 during the term of the lease for a price equal to the amount
 10 required to pay all indebtedness incurred on account of the local
 11 public improvement, including indebtedness incurred for the
 12 refunding of that indebtedness;
 13 (6) may be entered into before acquisition or construction of a
 14 local public improvement;
 15 (7) may provide that the commission shall agree to:
 16 (A) pay all taxes and assessments thereon;
 17 (B) maintain insurance thereon for the benefit of the authority;
 18 and
 19 (C) assume responsibility for utilities, repairs, alterations, and
 20 any costs of operation; and
 21 (8) may provide that the lease rental payments by the commission
 22 shall be made from any one (1) or more of the sources set forth in
 23 IC 36-7-14-25.2 or IC 36-7-30-20.

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

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

33 (c) **Subject to the prior approval of the legislative body of the**
 34 **unit**, the commission may sell property to the authority for such
 35 amount as it determines to be in the best interest of the commission,
 36 which amount may be paid from the proceeds of bonds of the authority.

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

- 41 (1) acquiring property;
 42 (2) constructing, improving, reconstructing, or renovating one (1)

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1 or more local public improvements; or
 2 (3) funding or refunding bonds issued under this chapter or
 3 IC 36-7-14.
 4 (b) The bonds are payable solely from the lease rentals from the
 5 lease of the local public improvement for which the bonds were issued,
 6 insurance proceeds, and any other funds pledged or available.
 7 (c) The bonds shall be authorized by a resolution of the board.
 8 (d) The terms and form of the bonds shall either be set out in the
 9 resolution or in a form of trust indenture approved by the resolution.
 10 (e) The bonds shall mature within fifty (50) years.
 11 (f) The board shall sell the bonds at public or private sale upon such
 12 terms as determined by the board.
 13 (g) All money received from any bonds issued under this chapter
 14 shall be applied solely to the payment of the cost of the acquisition or
 15 construction, or both, of local public improvements, or the cost of
 16 refunding or refinancing outstanding bonds, for which the bonds are
 17 issued. The cost may include:
 18 (1) planning and development of the local public improvements
 19 and all related buildings, facilities, structures, and improvements;
 20 (2) acquisition of a site and clearing and preparing the site for
 21 construction;
 22 (3) equipment, facilities, structures, and improvements that are
 23 necessary or desirable to make the local public improvements that
 24 are necessary or desirable to make the local public improvements
 25 suitable for use and operations;
 26 (4) architectural, engineering, consultant, and attorney fees;
 27 (5) incidental expenses in connection with the issuance and sale
 28 of bonds;
 29 (6) reserves for principal and interest;
 30 (7) interest during construction and for a period thereafter
 31 determined by the board, but in no event to exceed five (5) years;
 32 (8) financial advisory fees;
 33 (9) insurance during construction;
 34 (10) municipal bond insurance, debt service reserve insurance,
 35 letters of credit, or other credit enhancement; and
 36 (11) in the case of refunding or refinancing, payment of the
 37 principal of, redemption premiums, if any, and interest on, the
 38 bonds being refunded or refinanced.
 39 SECTION 20. IC 36-7-14.5-21 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 21. (a) The authority
 41 may secure bonds issued under this chapter by a trust indenture
 42 between the authority and a corporate trustee, which may be any trust

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1 company or national or state bank within Indiana that has trust powers.

2 (b) **Subject to the prior approval of the legislative body**, the trust
3 indenture may:

4 (1) pledge or assign lease rentals, receipts, and income from
5 leased local public improvements, but may not mortgage land or
6 local public improvements;

7 (2) contain reasonable and proper provisions for protecting and
8 enforcing the rights and remedies of the bondholders, including
9 covenants setting forth the duties of the authority and board;

10 (3) set forth the rights and remedies of bondholders and trustee;
11 and

12 (4) restrict the individual right of action of bondholders.

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

20 SECTION 21. IC 36-7-14.5-22 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 22. If the commission
22 exercises its option to purchase leased property, it may, **subject to the**
23 **prior approval of the legislative body of the unit**, issue its bonds as
24 authorized by statute.

25 SECTION 22. IC 36-7-15.1-3.5 IS ADDED TO THE INDIANA
26 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) The controller of the**
28 **consolidated city is the fiscal officer of a commission subject to this**
29 **chapter.**

30 (b) **The controller may obtain financial services on a contractual**
31 **basis for the purposes of carrying out the powers and duties of the**
32 **commission and protecting the public interests related to the**
33 **operations and funding of the commission. The controller has**
34 **charge over and is responsible for the administration, investment,**
35 **and disbursement of all funds and accounts of the authority in**
36 **accordance with the requirements of state law that apply to other**
37 **funds and accounts administered by the controller.**

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