
HOUSE BILL No. 1057

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 2014 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 2016. 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. 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.

Thompson

January 5, 2011, read first time and referred to Committee on Ways and Means.

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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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HOUSE BILL No. 1057



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) Before 2014, the county assessor of each**
 7 **county shall prepare and submit to the department of local**
 8 **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 that immediately follows the year in which the
 36 reassessment is to be 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, 2014, and shall be
8 completed on or before March 1, 2016.

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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shall adjust the methodology to:

- (1) use a six (6) year rolling average adjusted under subdivision
- (2) instead of a four (4) year rolling average; and
- (2) eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

(f) For assessment dates after December 31, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

SECTION 4. IC 6-1.1-4-5, AS AMENDED BY P.L.113-2010, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 5. (a) A petition for the reassessment of a real property **subject to reassessment under section 4 of this chapter** situated within a township may be filed with the department of local government finance on or before March 31st of any year which is not a general election year and in which no general reassessment of real property is made. A petition for reassessment of real property applies only to the most recent real property assessment date.

(b) The petition for reassessment must be signed by not less than the following percentage of all the owners of taxable real property who reside in the township:

- (1) fifteen percent (15%) for a township which does not contain an incorporated city or town;
- (2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;
- (3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);
- (4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);
- (5) two percent (2%) for a township containing all or part of an incorporated city which has a population of more than fifty thousand (50,000) but not exceeding one hundred fifty thousand (150,000); or
- (6) one percent (1%) for a township containing all or part of an incorporated city which has a population of more than one hundred fifty thousand (150,000).

The signatures on the petition must be verified by the oath of one (1) 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 6-1.1-4-12.4, AS AMENDED BY P.L.146-2008,
38 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2012]: Sec. 12.4. (a) For purposes of this section, the
40 term "oil or gas interest" includes but is not limited to:

- 41 (1) royalties;
- 42 (2) overriding royalties;

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1 (3) mineral rights; or
2 (4) working interest;
3 in any oil or gas located on or beneath the surface of land which lies
4 within this state.

5 (b) Oil or gas interest is subject to assessment and taxation as real
6 property. Notwithstanding section 4 or 4.2 of this chapter, each oil or
7 gas interest shall be assessed annually by the assessor of the township
8 in which the oil or gas is located, or the county assessor if there is no
9 township assessor for the township. The township or county assessor
10 shall assess the oil or gas interest to the person who owns or operates
11 the interest.

12 (c) A piece of equipment is an appurtenance to land if it is incident
13 to and necessary for the production of oil and gas from the land
14 covered by the oil or gas interest. This equipment includes but is not
15 limited to wells, pumping units, lines, treaters, separators, tanks, and
16 secondary recovery facilities. These appurtenances are subject to
17 assessment as real property. Notwithstanding section 4 or 4.2 of this
18 chapter, each of these appurtenances shall be assessed annually by the
19 assessor of the township in which the appurtenance is located, or the
20 county assessor if there is no township assessor for the township. The
21 township or county assessor shall assess the appurtenance to the person
22 who owns or operates the working interest in the oil or gas interest.

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

- 29 (1) deputies;
30 (2) employees; and
31 (3) technical advisors who are:
32 (A) qualified to determine real property values;
33 (B) professional appraisers certified under 50 IAC 15; and
34 (C) employed either on a full-time or a part-time basis, subject
35 to sections 18.5 and 19.5 of this chapter.

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

39 SECTION 9. IC 6-1.1-4-17, AS AMENDED BY P.L.182-2009(ss),
40 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 1, 2012]: Sec. 17. (a) Subject to the approval of the
42 department of local government finance and the requirements of

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1 section 18.5 of this chapter, a county assessor may employ professional
2 appraisers as technical advisors for assessments in all townships in the
3 county. The department of local government finance may approve
4 employment under this subsection only if the department is a party to
5 the employment contract and any addendum to the employment
6 contract.

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

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

13 SECTION 10. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008,
14 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JANUARY 1, 2012]: Sec. 20. The department of local government
16 finance may establish a period, with respect to each ~~general~~
17 reassessment **under section 4 or 4.2 of this chapter**, that is the only
18 time during which a county assessor may enter into a contract with a
19 professional appraiser. ~~The period set by the department of local~~
20 ~~government finance may not begin before January 1 of the year the~~
21 ~~general reassessment begins. If no period is established by the~~
22 ~~department of local government finance, a county assessor may enter~~
23 ~~into such a contract only on or after January 1 and before April 16 of~~
24 ~~the year in which the general reassessment is to commence.~~

25 SECTION 11. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008,
26 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JANUARY 1, 2012]: Sec. 21. (a) If during a period of general
28 reassessment **under section 4 of this chapter** a county assessor
29 personally makes the real property appraisals, the appraisals of the
30 parcels subject to taxation must be completed as follows:

- 31 (1) The appraisal of one-fourth (1/4) of the parcels shall be
32 completed before December 1 of the year in which the general
33 reassessment begins.
- 34 (2) The appraisal of one-half (1/2) of the parcels shall be
35 completed before May 1 of the year following the year in which
36 the general reassessment begins.
- 37 (3) The appraisal of three-fourths (3/4) of the parcels shall be
38 completed before October 1 of the year following the year in
39 which the general reassessment begins.
- 40 (4) The appraisal of all the parcels shall be completed before
41 March 1 of the second year following the year in which the
42 general reassessment begins.

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

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

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

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

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

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

20 SECTION 12. IC 6-1.1-4-21.4 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JANUARY 1, 2012]: **Sec. 21.4. (a) The appraisals of
23 the parcels in a group under a county's reassessment plan prepared
24 under section 4.2 of this chapter that are subject to taxation must
25 be completed as follows:**

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

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

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

36 (b) **If a county assessor employs a professional appraiser or a
37 professional appraisal firm to make real property appraisals of a
38 group of parcels under a county's reassessment plan, the
39 professional appraiser or appraisal firm must file appraisal reports
40 with the county assessor by the dates set forth in subsection (a).
41 However, the reporting requirements prescribed in this subsection
42 do not apply if the contract under which the professional**

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1 **appraiser, or appraisal firm, is employed prescribes different**
2 **reporting procedures.**

3 SECTION 13. IC 6-1.1-4-22, AS AMENDED BY P.L.136-2009,
4 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2012]: Sec. 22. (a) If any assessing official assesses or
6 reassesses any real property under this article, the official shall give
7 notice to the taxpayer and the county assessor, by mail, of the amount
8 of the assessment or reassessment.

9 ~~(b)~~ During a period of general reassessment, each township or
10 county assessor shall mail the notice required by this section within
11 ninety (90) days after the assessor:

- 12 (1) completes the appraisal of a parcel; or
- 13 (2) receives a report for a parcel from a professional appraiser or
14 professional appraisal firm.

15 ~~(c)~~ (b) The notice required by this section must include notice to the
16 person of the opportunity to appeal the assessed valuation under
17 IC 6-1.1-15-1.

18 ~~(d)~~ (c) Notice of the opportunity to appeal the assessed valuation
19 required under subsection ~~(c)~~ (b) must include the following:

- 20 (1) The procedure that a taxpayer must follow to appeal the
21 assessment or reassessment.
- 22 (2) The forms that must be filed for an appeal of the assessment
23 or reassessment.
- 24 (3) Notice that an appeal of the assessment or reassessment
25 requires evidence relevant to the true tax value of the taxpayer's
26 property as of the assessment date.

27 SECTION 14. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
28 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JANUARY 1, 2011 (RETROACTIVE)]: Sec. 27.5. (a) The auditor of
30 each county shall establish a property reassessment fund. The county
31 treasurer shall deposit all collections resulting from the property taxes
32 that the county levies for the county's property reassessment fund.

33 (b) With respect to the ~~general~~ reassessment of real property that is
34 to commence on July 1, ~~2009~~, **2014, under a county's reassessment**
35 **plan prepared under section 4.2 of this chapter**, the county council
36 of each county shall, for property taxes due in ~~2006, 2007, 2008, and~~
37 ~~2009~~, **2012, 2013, and 2014**, levy in each year against all the taxable
38 property in the county an amount equal to ~~one-fourth (1/4)~~ **one-third**
39 **(1/3)** of the remainder of:

- 40 (1) the estimated costs referred to in section 28.5(a) of this
41 chapter; minus
- 42 (2) the amount levied under this section by the county council for

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1 property taxes due in ~~2004~~ **2010** and ~~2005~~ **2011**.

2 (c) With respect to a ~~general~~ reassessment of real property that is to
 3 commence on July 1, ~~2014~~, **2018**, and each ~~fifth~~ **fourth** year thereafter
 4 **under a county's reassessment plan prepared under section 4.2 of**
 5 **this chapter**, the county council of each county shall, for property
 6 taxes due in the year that the ~~general~~ reassessment is to commence and
 7 the ~~four (4)~~ **three (3)** years preceding that year, levy against all the
 8 taxable property in the county an amount equal to ~~one-fifth (1/5)~~
 9 **one-fourth (1/4)** of the estimated costs of the ~~general~~ reassessment
 10 under section 28.5 of this chapter.

11 (d) The department of local government finance shall give to each
 12 county council notice, before January 1 in a year, of the tax levies
 13 required by this section for that year.

14 (e) The department of local government finance may raise or lower
 15 the property tax levy under this section for a year if the department
 16 determines it is appropriate because the estimated cost of:

17 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**
 18 **under a county's reassessment plan prepared under section**
 19 **4.2 of this chapter;** or

20 (2) making annual adjustments under section 4.5 of this chapter;
 21 has changed.

22 (f) The county assessor may petition the county fiscal body to
 23 increase the levy under subsection (b) or (c) to pay for the costs of:

24 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**
 25 **under a county's reassessment plan prepared under section**
 26 **4.2 of this chapter;**

27 (2) verification under 50 IAC 21-3-2 of sales disclosure forms
 28 forwarded to the county assessor under IC 6-1.1-5.5-3; or

29 (3) processing annual adjustments under section 4.5 of this
 30 chapter.

31 The assessor must document the needs and reasons for the increased
 32 funding.

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

36 (1) hear the appeal; and

37 (2) determine whether the additional levy is necessary.

38 SECTION 15. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,
 39 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2012]: Sec. 28.5. (a) Money assigned to a property
 41 reassessment fund under section 27.5 of this chapter may be used only
 42 to pay the costs of:

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- 1 (1) the general reassessment of real property **under section 4 of**
- 2 **this chapter or reassessment of one (1) or more groups of**
- 3 **parcels under a county's reassessment plan prepared under**
- 4 **section 4.2 of this chapter**, including the computerization of
- 5 assessment records;
- 6 (2) payments to assessing officials and hearing officers for county
- 7 property tax assessment boards of appeals under IC 6-1.1-35.2;
- 8 (3) the development or updating of detailed soil survey data by
- 9 the United States Department of Agriculture or its successor
- 10 agency;
- 11 (4) the updating of plat books;
- 12 (5) payments for the salary of permanent staff or for the
- 13 contractual services of temporary staff who are necessary to assist
- 14 assessing officials;
- 15 (6) making annual adjustments under section 4.5 of this chapter;
- 16 and
- 17 (7) the verification under 50 IAC 21-3-2 of sales disclosure forms
- 18 forwarded to:
 - 19 (A) the county assessor; or
 - 20 (B) township assessors (if any);
- 21 under IC 6-1.1-5.5-3.

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

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

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

31 (d) An appropriation under this section must be approved by the
 32 fiscal body of the county after the review and recommendation of the
 33 county assessor. However, in a county with a township assessor in
 34 every township, the county assessor does not review an appropriation
 35 under this section, and only the fiscal body must approve an
 36 appropriation under this section.

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

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expenses of:

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

(2) reassessments of a groups of parcels under a county's reassessment plan prepared under section 4.2 of this chapter;

shall be paid from county funds. The county auditor shall issue warrants for the payment of reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

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

SECTION 17. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 30. (a) In making any assessment or reassessment of real property in the interim between general reassessments **under section 4 of this chapter** the rules, regulations, and standards for assessment are the same as those used in the preceding general reassessment.

(b) In making any assessment or reassessment of real property during the effective period of a county's reassessment plan prepared under section 4.2 of this chapter, the rules, regulations, and standards for assessment are the same as those used for all groups of parcels subject to the reassessment plan.

SECTION 18. IC 6-1.1-4-31, AS AMENDED BY P.L.113-2010, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

(1) a general reassessment of property under section 4 of this chapter;

(2) reassessments of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter;

~~(2) (3)~~ **(3) work required to be performed by local officials under 50 IAC 21; and**

~~(3) (4)~~ **(4) other property assessment activities in the county, as determined by the department.**

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

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1 being properly conducted, or property assessments are not being
 2 properly made.

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

6 (1) the general reassessment **under section 4 of this chapter, a**
 7 **reassessment of a group of parcels under a county's**
 8 **reassessment plan prepared under section 4.2 of this chapter,**
 9 or other property assessment activities are being properly
 10 conducted;

11 (2) work required to be performed by local officials under 50
 12 IAC 21 is being properly conducted; or

13 (3) property assessments are being properly made.

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

15 (1) determines under subsection (a) that a general reassessment
 16 **under section 4 of this chapter, a reassessment of a group of**
 17 **parcels under a county's reassessment plan prepared under**
 18 **section 4.2 of this chapter,** or other assessment activities for a
 19 ~~general reassessment year or any other year~~ are not being properly
 20 conducted; and

21 (2) informs:

22 (A) the township assessor (if any) of each affected township;
 23 (B) the county assessor; and
 24 (C) the president of the county council;
 25 in writing under subsection (a);

26 the department may order a state conducted assessment or reassessment
 27 under section 31.5 of this chapter to begin not less than sixty (60) days
 28 after the date of the notice under subdivision (2).

29 (d) If the department of local government finance:

30 (1) determines under subsection (a) that work required to be
 31 performed by local officials under 50 IAC 21 is not being
 32 properly conducted; and

33 (2) informs:

34 (A) the township assessor of each affected township (if any);
 35 (B) the county assessor; and
 36 (C) the president of the county council;
 37 in writing under subsection (a);

38 the department may conduct the work or contract to have the work
 39 conducted to begin not less than sixty (60) days after the date of the
 40 notice under subdivision (2). If the department determines during the
 41 period between the date of the notice under subdivision (2) and the
 42 proposed date for beginning the work or having the work conducted

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1 that work required to be performed by local officials under 50 IAC 21
2 is being properly conducted, the department may rescind the order.

3 (e) If the department of local government finance contracts to have
4 work conducted under subsection (d), the department shall forward the
5 bill for the services to the county and the county shall pay the bill under
6 the same procedures that apply to county payments of bills for
7 assessment or reassessment services under section 31.5 of this chapter.

8 (f) A county council president who is informed by the department
9 of local government finance under subsection (a) shall provide the
10 information to the board of county commissioners. A board of county
11 commissioners that receives information under this subsection may
12 adopt an ordinance to do either or both of the following:

13 (1) Determine that:

- 14 (A) the information indicates that the county assessor has
- 15 failed to perform adequately the duties of county assessor; and
- 16 (B) by that failure the county assessor forfeits the office of
- 17 county assessor and is subject to removal from office by an
- 18 information filed under IC 34-17-2-1(b).

19 (2) Determine that:

- 20 (A) the information indicates that one (1) or more township
- 21 assessors in the county have failed to perform adequately the
- 22 duties of township assessor; and
- 23 (B) by that failure the township assessor or township assessors
- 24 forfeit the office of township assessor and are subject to
- 25 removal from office by an information filed under
- 26 IC 34-17-2-1(b).

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

31 SECTION 19. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006,
32 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JANUARY 1, 2012]: Sec. 8. (a) For purposes of: ~~the~~

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

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

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

- 42 (1) A county assessor.

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1 (2) An assessing official.

2 (3) A county property tax assessment board of appeals.

3 SECTION 20. IC 6-1.1-8.7-3, AS AMENDED BY P.L.113-2010,

4 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

5 JANUARY 1, 2012]: Sec. 3. (a) ~~Before January 1 of each year that a~~

6 ~~general reassessment commences under IC 6-1.1-4-4~~, Two hundred

7 fifty (250) or more owners of real property in a township may petition

8 the department to assess the real property of an industrial facility in the

9 township. ~~for that general reassessment.~~

10 (b) An industrial company may at any time petition the department

11 to assess the real property of an industrial facility owned or used by the

12 company.

13 (c) Before January 1 of any year, the county assessor of the county

14 in which an industrial facility is located may petition the department to

15 assess the real property of the industrial facility for the assessment date

16 in the following year.

17 SECTION 21. IC 6-1.1-12-19 IS AMENDED TO READ AS

18 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 19. The deduction

19 from assessed value provided by section 18 of this chapter is first

20 available in the year in which the increase in assessed value resulting

21 from the rehabilitation occurs and shall continue for the following four

22 (4) years. In the sixth (6th) year, the county auditor shall add the

23 amount of the deduction to the assessed value of the real property. A:

24 (1) general reassessment of real property **under IC 6-1.1-4-4; or**

25 (2) **reassessment under a county's reassessment plan prepared**

26 **under IC 6-1.1-4-4.2;**

27 which occurs within the five (5) year period of the deduction does not

28 affect the amount of the deduction.

29 SECTION 22. IC 6-1.1-12-23 IS AMENDED TO READ AS

30 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 23. The deduction

31 from assessed value provided by section 22 of this chapter is first

32 available after the first assessment date following the rehabilitation and

33 shall continue for the taxes first due and payable in the following five

34 (5) years. In the sixth (6th) year, the county auditor shall add the

35 amount of the deduction to the assessed value of the property. Any:

36 (1) general reassessment of real property **under IC 6-1.1-4-4; or**

37 (2) **reassessment under a county's reassessment plan prepared**

38 **under IC 6-1.1-4-4.2;**

39 which occurs within the five (5) year period of the deduction does not

40 affect the amount of the deduction.

41 SECTION 23. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007,

42 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2012]: Sec. 4. (a) Except as provided in section 2(i)(4)
2 of this chapter, and subject to section 15 of this chapter, the amount of
3 the deduction which the property owner is entitled to receive under
4 section 3 of this chapter for a particular year equals the product of:

5 (1) the increase in the assessed value resulting from the
6 rehabilitation or redevelopment; multiplied by

7 (2) the percentage prescribed in the table set forth in subsection
8 (d).

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

12 (1) If:

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

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

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

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

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

27 (c) Property owners who had an area designated an urban
28 development area pursuant to an application filed prior to January 1,
29 1979, are only entitled to the deduction for the first through the fifth
30 years as provided in subsection ~~(d)(10)~~. **(d)(5)**. In addition, property
31 owners who are entitled to a deduction under this chapter pursuant to
32 an application filed after December 31, 1978, and before January 1,
33 1986, are entitled to a deduction for the first through the tenth years, as
34 provided in subsection (d)(10).

35 (d) The percentage to be used in calculating the deduction under
36 subsection (a) is as follows:

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

38	YEAR OF DEDUCTION	PERCENTAGE
39	1st	100%

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

41	YEAR OF DEDUCTION	PERCENTAGE
42	1st	100%

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

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1	5th	50%
2	6th	38%
3	7th	25%
4	8th	13%
5	(9) For deductions allowed over a nine (9) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	88%
9	3rd	77%
10	4th	66%
11	5th	55%
12	6th	44%
13	7th	33%
14	8th	22%
15	9th	11%
16	(10) For deductions allowed over a ten (10) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	95%
20	3rd	80%
21	4th	65%
22	5th	50%
23	6th	40%
24	7th	30%
25	8th	20%
26	9th	10%
27	10th	5%

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

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

41 (c) The department of local government finance shall prescribe a
 42 form for the statement of benefits. The statement of benefits must



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include the following information:

(1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.

(2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.

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

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

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

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

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

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

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

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

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

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the

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1 findings required by this subsection are made in the affirmative.
2 (f) Except as otherwise provided in this section, the owner of an
3 eligible vacant building located in an economic revitalization area is
4 entitled to a deduction from the assessed value of the building if the
5 property owner or a tenant of the property owner occupies the eligible
6 vacant building and uses it for commercial or industrial purposes. The
7 property owner is entitled to the deduction:

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

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

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

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

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

22 A certified copy of a resolution under subdivision (2) shall be sent to
23 the county auditor, who shall make the deduction as provided in section
24 5.3 of this chapter. A determination concerning the number of years the
25 deduction is allowed that is made under subdivision (1) is final and
26 may not be changed by using the procedure under subdivision (2).

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

31 (1) the assessed value of the building or part of the building that
32 is occupied by the property owner or a tenant of the property
33 owner; multiplied by

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

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

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

38 YEAR OF DEDUCTION	PERCENTAGE
39 1st	100%

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

41 YEAR OF DEDUCTION	PERCENTAGE
42 1st	100%

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1 is entitled to a deduction from the assessed value of the real property.
 2 (c) Subject to section 14 of this chapter, the deduction under this
 3 section is first available in the year in which the increase in assessed
 4 value resulting from the development, redevelopment, or rehabilitation
 5 occurs and continues for the following two (2) years. The amount of the
 6 deduction that a property owner may receive with respect to real
 7 property located in a county for a particular year equals the lesser of:
 8 (1) two million dollars (\$2,000,000); or
 9 (2) the product of:
 10 (A) the increase in assessed value resulting from the
 11 development, rehabilitation, or redevelopment; multiplied by
 12 (B) the percentage from the following table:
 13

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

 17 (d) A property owner that qualifies for the deduction under this
 18 section must file a notice to claim the deduction in the manner
 19 prescribed by the department of local government finance under rules
 20 adopted by the department of local government finance under
 21 IC 4-22-2 to implement this chapter. The township assessor, or the
 22 county assessor if there is no township assessor for the township, shall:
 23 (1) inform the county auditor of the real property eligible for the
 24 deduction as contained in the notice filed by the taxpayer under
 25 this subsection; and
 26 (2) inform the county auditor of the deduction amount.
 27 (e) The county auditor shall:
 28 (1) make the deductions; and
 29 (2) notify the county property tax assessment board of appeals of
 30 all deductions approved;
 31 under this section.
 32 (f) The amount of the deduction determined under subsection (c)(2)
 33 is adjusted to reflect the percentage increase or decrease in assessed
 34 valuation that results from:
 35 (1) a general reassessment of real property **under IC 6-1.1-4-4;**
 36 **(2) a reassessment under a county's reassessment plan**
 37 **prepared under ~~IC 6-1.1-4-4~~, IC 6-1.1-4-4.2;** or
 38 ~~(2)~~ **(3) an annual adjustment under IC 6-1.1-4-4.5.**
 39 (g) If an appeal of an assessment is approved that results in a
 40 reduction of the assessed value of the real property, the amount of the
 41 deduction under this section is adjusted to reflect the percentage
 42 decrease that results from the appeal.

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

3 SECTION 26. IC 6-1.1-13-6 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) A county
5 assessor shall inquire into the assessment of the classes of tangible
6 property in the various townships of the county after March 1 in the
7 year in which ~~the~~ a general reassessment **under IC 6-1.1-4-4** becomes
8 effective. The county assessor shall make any changes, whether
9 increases or decreases, in the assessed values which are necessary in
10 order to equalize these values in and between the various townships of
11 the county. In addition, the county assessor shall determine the percent
12 to be added to or deducted from the assessed values in order to make
13 a just, equitable, and uniform equalization of assessments in and
14 between the townships of the county.

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

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

- 35 (1) two (2) newspapers which represent different political parties
36 and which are published in the county; or
37 (2) one (1) newspaper only, if two (2) newspapers which
38 represent different political parties are not published in the
39 county.

40 SECTION 28. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007,
41 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JANUARY 1, 2012]: Sec. 4. (a) After receiving a petition for review

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1 which is filed under section 3 of this chapter, the Indiana board shall
 2 conduct a hearing at its earliest opportunity. The Indiana board may
 3 correct any errors that may have been made and adjust the assessment
 4 or exemption in accordance with the correction.

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

21 (c) If a petition for review does not comply with the Indiana board's
 22 instructions for completing the form prescribed under section 3 of this
 23 chapter, the Indiana board shall return the petition to the petitioner and
 24 include a notice describing the defect in the petition. The petitioner
 25 then has thirty (30) days from the date on the notice to cure the defect
 26 and file a corrected petition. The Indiana board shall deny a corrected
 27 petition for review if it does not substantially comply with the Indiana
 28 board's instructions for completing the form prescribed under section
 29 3 of this chapter.

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

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

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

40 (f) With respect to an appeal of a real property assessment that takes
 41 effect on the assessment date on which a ~~general~~ reassessment of real
 42 property takes effect under IC 6-1.1-4-4 or **IC 6-1.1-4-4.2**, the Indiana

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1 board shall conduct a hearing not later than one (1) year after a petition
 2 in proper form is filed with the Indiana board, excluding any time due
 3 to a delay reasonably caused by the petitioner.

4 (g) Except as provided in subsection (h), the Indiana board shall
 5 make a determination not later than the later of:

6 (1) ninety (90) days after the hearing; or

7 (2) the date set in an extension order issued by the Indiana board.

8 (h) With respect to an appeal of a real property assessment that
 9 takes effect on the assessment date on which a ~~general~~ reassessment of
 10 real property takes effect under IC 6-1.1-4-4 or IC 6-1.1-4-4.2, the
 11 Indiana board shall make a determination not later than the later of:

12 (1) one hundred eighty (180) days after the hearing; or

13 (2) the date set in an extension order issued by the Indiana board.

14 (i) The Indiana board may not extend the final determination date
 15 under subsection (g) or (h) by more than one hundred eighty (180)
 16 days. If the Indiana board fails to make a final determination within the
 17 time allowed by this section, the entity that initiated the petition may:

18 (1) take no action and wait for the Indiana board to make a final
 19 determination; or

20 (2) petition for judicial review under section 5 of this chapter.

21 (j) A final determination must include separately stated findings of
 22 fact for all aspects of the determination. Findings of ultimate fact must
 23 be accompanied by a concise statement of the underlying basic facts of
 24 record to support the findings. Findings must be based exclusively
 25 upon the evidence on the record in the proceeding and on matters
 26 officially noticed in the proceeding. Findings must be based upon a
 27 preponderance of the evidence.

28 (k) The Indiana board may limit the scope of the appeal to the issues
 29 raised in the petition and the evaluation of the evidence presented to
 30 the county board in support of those issues only if all parties
 31 participating in the hearing required under subsection (a) agree to the
 32 limitation. A party participating in the hearing required under
 33 subsection (a) is entitled to introduce evidence that is otherwise proper
 34 and admissible without regard to whether that evidence has previously
 35 been introduced at a hearing before the county board.

36 (l) The Indiana board may require the parties to the appeal:

37 (1) to file not more than five (5) business days before the date of
 38 the hearing required under subsection (a) documentary evidence
 39 or summaries of statements of testimonial evidence; and

40 (2) to file not more than fifteen (15) business days before the date
 41 of the hearing required under subsection (a) lists of witnesses and
 42 exhibits to be introduced at the hearing.

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1 (m) A party to a proceeding before the Indiana board shall provide
 2 to all other parties to the proceeding the information described in
 3 subsection (l) if the other party requests the information in writing at
 4 least ten (10) days before the deadline for filing of the information
 5 under subsection (l).

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

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

15 (2) specify a limited precedential value of a final determination
 16 under this subsection.

17 SECTION 29. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,
 18 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2012]: Sec. 1. (a) On or before August 1 of each year,
 20 the county auditor shall send a certified statement, under the seal of the
 21 board of county commissioners, to the fiscal officer of each political
 22 subdivision of the county and the department of local government
 23 finance. The statement shall contain:

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

26 (2) an estimate of the taxes to be distributed to the political
 27 subdivision during the last six (6) months of the current calendar
 28 year;

29 (3) the current assessed valuation as shown on the abstract of
 30 charges;

31 (4) the average growth in assessed valuation in the political
 32 subdivision over the preceding three (3) budget years; excluding
 33 years in which a general reassessment **under IC 6-1.1-4-4** occurs,
 34 determined according to procedures established by the department
 35 of local government finance;

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

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

41 (7) any other information at the disposal of the county auditor that
 42 might affect the assessed value used in the budget adoption

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

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1 SECTION 30. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
 2 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JANUARY 1, 2012]: Sec. 12. (a) For purposes of this
 4 section, "maximum rate" refers to the maximum:

- 5 (1) property tax rate or rates; or
 6 (2) special benefits tax rate or rates;

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

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

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

- 14 (1) an annual adjustment of the assessed value of real property
 15 under IC 6-1.1-4-4.5; **or**
 16 (2) a general reassessment of real property under IC 6-1.1-4-4; **or**
 17 **(3) a reassessment under a county's reassessment plan**
 18 **prepared under IC 6-1.1-4-4.2.**

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

- 20 (1) IC 8-10-5-17;
 21 (2) IC 8-22-3-11;
 22 (3) IC 8-22-3-25;
 23 (4) IC 12-29-1-1;
 24 (5) IC 12-29-1-2;
 25 (6) IC 12-29-1-3;
 26 (7) IC 12-29-3-6;
 27 (8) IC 13-21-3-12;
 28 (9) IC 13-21-3-15;
 29 (10) IC 14-27-6-30;
 30 (11) IC 14-33-7-3;
 31 (12) IC 14-33-21-5;
 32 (13) IC 15-14-7-4;
 33 (14) IC 15-14-9-1;
 34 (15) IC 15-14-9-2;
 35 (16) IC 16-20-2-18;
 36 (17) IC 16-20-4-27;
 37 (18) IC 16-20-7-2;
 38 (19) IC 16-22-14;
 39 (20) IC 16-23-1-29;
 40 (21) IC 16-23-3-6;
 41 (22) IC 16-23-4-2;
 42 (23) IC 16-23-5-6;

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

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- 1 adjustment or ~~general~~ reassessment **under IC 6-1.1-4-4 or**
 2 **IC 6-1.1-4-4.2** takes effect.
- 3 STEP TWO: Determine the actual percentage increase (rounded
 4 to the nearest one-hundredth percent (0.01%)) in the assessed
 5 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 6 taxable property from the year preceding the year the annual
 7 adjustment or ~~general~~ reassessment **under IC 6-1.1-4-4 or**
 8 **IC 6-1.1-4-4.2** takes effect to the year that the annual adjustment
 9 or ~~general~~ reassessment takes effect.
- 10 STEP THREE: Determine the three (3) calendar years that
 11 immediately precede the ensuing calendar year and in which a
 12 statewide general reassessment of real property **under**
 13 **IC 6-1.1-4-4** does not first take effect.
- 14 STEP FOUR: Compute separately, for each of the calendar years
 15 determined in STEP THREE, the actual percentage increase
 16 (rounded to the nearest one-hundredth percent (0.01%)) in the
 17 assessed value (before the adjustment, if any, under
 18 IC 6-1.1-4-4.5) of the taxable property from the preceding year.
- 19 STEP FIVE: Divide the sum of the three (3) quotients computed
 20 in STEP FOUR by three (3).
- 21 STEP SIX: Determine the greater of the following:
 22 (A) Zero (0).
 23 (B) The result of the STEP TWO percentage minus the STEP
 24 FIVE percentage.
- 25 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 26 divided by the sum of one (1) plus the STEP SIX percentage
 27 increase.
- 28 (f) The department of local government finance shall compute the
 29 maximum rate allowed under subsection (e) and provide the rate to
 30 each political subdivision with authority to levy a tax under a statute
 31 listed in subsection (d).
- 32 SECTION 31. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
 33 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JANUARY 1, 2012]: Sec. 13. (a) The maximum property tax rate
 35 levied under IC 20-46-6 by each school corporation for the school
 36 corporation's capital projects fund must be adjusted each year to
 37 account for the change in assessed value of real property that results
 38 from:
 39 (1) an annual adjustment of the assessed value of real property
 40 under IC 6-1.1-4-4.5; ~~or~~
 41 (2) a general reassessment of real property under IC 6-1.1-4-4; **or**
 42 (3) **a reassessment under a county's reassessment plan**

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prepared under IC 6-1.1-4-4.2.

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

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

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

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

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

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

STEP SIX: Determine the greater of the following:

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

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

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

SECTION 32. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

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

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

4 (c) The new maximum rate under a statute listed in subsection (a)
5 is the tax rate determined under STEP SEVEN of the following
6 formula:

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

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

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

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

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

29 STEP SIX: Determine the greater of the following:

- 30 (A) Zero (0).
- 31 (B) The result of the STEP TWO percentage minus the STEP
32 FIVE percentage.

33 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
34 divided by the sum of one (1) plus the STEP SIX percentage
35 increase.

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

40 SECTION 33. IC 6-1.1-18.5-10, AS AMENDED BY
41 P.L.182-2009(ss), SECTION 128, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 10. (a) The ad

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1 valorem property tax levy limits imposed by section 3 of this chapter
 2 do not apply to ad valorem property taxes imposed by a civil taxing
 3 unit to be used to fund:

4 (1) community mental health centers under:

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

9 (B) IC 12-29-2-2 through IC 12-29-2-5; and

10 (C) IC 12-29-2-13; or

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

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

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

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

28 (1) the assessed value growth quotient determined under section
 29 2 of this chapter; minus

30 (2) one (1).

31 (d) For a county that:

32 (1) did not impose an ad valorem property tax levy in 2008 for the
 33 county general fund to provide financial assistance under
 34 IC 12-29-1 (community mental retardation and other
 35 developmental disabilities center) or IC 12-29-2 (community
 36 mental health center); and

37 (2) determines for 2009 or a later calendar year to impose a levy
 38 as described in subdivision (1);

39 the ad valorem property tax levy limits imposed under section 3 of this
 40 chapter do not apply to the part of the county's general fund levy that
 41 is used in the first calendar year for which a determination is made
 42 under subdivision (2) to provide financial assistance under IC 12-29-1

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1 or IC 12-29-2. The department of local government finance shall
 2 review a county's proposed budget that is submitted under IC 12-29-1-1
 3 or IC 12-29-2-1.2 and make a final determination of the amount to
 4 which the levy limits do not apply under this subsection for the first
 5 calendar year for which a determination is made under subdivision (2).

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

11 SECTION 34. IC 6-1.1-18.5-13, AS AMENDED BY
 12 P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 13. With respect
 14 to an appeal filed under section 12 of this chapter, the department may
 15 find that a civil taxing unit should receive any one (1) or more of the
 16 following types of relief:

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

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

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

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

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available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's estimate of the unit's share of the costs of operating a court for the first full calendar year in which it is in existence. For purposes of this subdivision, costs of operating a court include:

- (A) the cost of personal services (including fringe benefits);
- (B) the cost of supplies; and
- (C) any other cost directly related to the operation of the court.

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

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

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

- (i) for a particular calendar year before 2007, the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year; or
- (ii) for a particular calendar year after 2006, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-42 in 2006 plus for a particular calendar year after 2009, the total assessed value of property tax deductions that applied in the unit under IC 6-1.1-12-37.5 in 2008;

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

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

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the

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1 nearest ten-thousandth (0.0001)) of the sum of the total
 2 assessed value of all taxable property in all counties and:

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

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

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

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

18 STEP SIX: Divide the STEP THREE amount by the STEP
 19 FIVE amount.

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

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

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

41 (B) twenty percent (20%) of:

42 (i) the amount authorized for operating expenses of a

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- 1 volunteer fire department in the budget of the civil taxing
 2 unit for the immediately preceding calendar year; plus
 3 (ii) the amount of any additional appropriations authorized
 4 during that calendar year for the civil taxing unit's use in
 5 paying operating expenses of a volunteer fire department
 6 under this chapter; minus
 7 (iii) the amount of money borrowed under IC 36-6-6-14
 8 during that calendar year for the civil taxing unit's use in
 9 paying operating expenses of a volunteer fire department.
- 10 (5) A levy increase may not be granted under this subdivision for
 11 property taxes first due and payable after December 31, 2008.
 12 Permission to a civil taxing unit to increase its levy in excess of
 13 the limitations established under section 3 of this chapter in order
 14 to raise revenues for pension payments and contributions the civil
 15 taxing unit is required to make under IC 36-8. The maximum
 16 increase in a civil taxing unit's levy that may be recommended
 17 under this subdivision for an ensuing calendar year equals the
 18 amount, if any, by which the pension payments and contributions
 19 the civil taxing unit is required to make under IC 36-8 during the
 20 ensuing calendar year exceeds the product of one and one-tenth
 21 (1.1) multiplied by the pension payments and contributions made
 22 by the civil taxing unit under IC 36-8 during the calendar year that
 23 immediately precedes the ensuing calendar year. For purposes of
 24 this subdivision, "pension payments and contributions made by a
 25 civil taxing unit" does not include that part of the payments or
 26 contributions that are funded by distributions made to a civil
 27 taxing unit by the state.
- 28 (6) A levy increase may not be granted under this subdivision for
 29 property taxes first due and payable after December 31, 2008.
 30 Permission to increase its levy in excess of the limitations
 31 established under section 3 of this chapter if the local government
 32 tax control board finds that:
- 33 (A) the township's township assistance ad valorem property
 34 tax rate is less than one and sixty-seven hundredths cents
 35 (\$0.0167) per one hundred dollars (\$100) of assessed
 36 valuation; and
- 37 (B) the township needs the increase to meet the costs of
 38 providing township assistance under IC 12-20 and IC 12-30-4.
 39 The maximum increase that the board may recommend for a
 40 township is the levy that would result from an increase in the
 41 township's township assistance ad valorem property tax rate of
 42 one and sixty-seven hundredths cents (\$0.0167) per one hundred

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dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

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

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

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

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

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

- (A) the civil taxing unit is:
 - (i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);
 - (ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);
 - (iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);
 - (iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or
 - (v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300);
- and

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

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

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

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

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

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

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

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

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

41 Before recommending an increase, the local government tax
 42 control board shall consider all other revenues available to the

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county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

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

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

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1 A particular township may appeal to increase its levy under this
2 section not more frequently than every fourth calendar year.

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

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

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

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

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

26 SECTION 35. IC 6-1.1-28-8 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 8. (a) The county
28 property tax assessment board shall remain in session until the board's
29 duties are complete.

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

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

41 SECTION 36. IC 6-1.1-31-9 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 9. (a) Except as

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1 provided in subsection (b), the department of local government finance
2 may not adopt rules for the appraisal of real property:

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

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

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

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

16 SECTION 37. IC 6-1.1-33.5-6 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 6. (a) With
18 respect to any township or county for any year, the department of local
19 government finance may initiate a review to determine whether to order
20 a special reassessment under this chapter. The review may apply to real
21 property or personal property, or both.

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

29 (1) the total assessed valuation of the real property within the
30 township or county; and

31 (2) the total assessed valuation that would result if the real
32 property within the township or county were valued in the manner
33 provided by law.

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

42 (1) the total assessed valuation of the real property within all

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1 **groups of parcels within a particular cycle; and**
 2 **(2) the total assessed valuation that would result if the real**
 3 **property within all groups of parcels within a particular cycle**
 4 **were valued in the manner provided by law.**

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

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

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

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

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

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

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

27 (2) the department of local government finance determines after
 28 holding hearings on the matter that a special reassessment should
 29 be conducted;

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

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

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

37 (2) IC 6-1.1-14.

38 ~~(h)~~ **(i)** The department of local government finance shall give notice
 39 to a taxpayer, by individual notice or by publication at the discretion of
 40 the department, of a hearing concerning the department's intent to
 41 cause the assessment of the taxpayer's property to be adjusted under
 42 this section. The time fixed for the hearing must be at least ten (10)

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1 days after the day the notice is mailed or published. The department
 2 may conduct a single hearing under this section with respect to
 3 multiple properties. The notice must state:

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

9 ~~(j)~~ (j) If the department of local government finance determines
 10 after the hearing that the assessment of property should be adjusted
 11 under this chapter, the department shall:

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

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

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

24 SECTION 38. IC 6-1.1-34-1, AS AMENDED BY P.L.182-2009(ss),
 25 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. In the year after:

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

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

41 SECTION 39. IC 6-1.1-34-7, AS AMENDED BY P.L.182-2009(ss),
 42 SECTION 171, IS AMENDED TO READ AS FOLLOWS

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1 [EFFECTIVE JANUARY 1, 2012]: Sec. 7. (a) Each year in which the
 2 department of local government finance computes a new assessment
 3 ratio for a school corporation, the department shall also compute a new
 4 adjustment factor for the school corporation. If the school corporation's
 5 assessment ratio for a year is more than ninety-nine percent (99%) but
 6 less than one hundred one percent (101%) of the state average
 7 assessment ratio for that year, the school corporation's adjustment
 8 factor is the number one (1). In all other cases, the school corporation's
 9 adjustment factor equals:

10 (1) the state average assessment ratio for a year; divided by

11 (2) the school corporation's assessment ratio for that year.

12 The department of local government finance shall notify the school
 13 corporation of its new adjustment factor before March 2 of the year in
 14 which the department calculates the new adjustment factor.

15 (b) This subsection applies in a calendar year after which:

16 (1) a general reassessment **under IC 6-1.1-4-4** takes effect; or

17 (2) **a cycle under a county's reassessment plan prepared under**
 18 **IC 6-1.1-4-4.2 is completed.**

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

24 SECTION 40. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
 25 SECTION 296, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JANUARY 1, 2012]: Sec. 5. (a) A declaratory ordinance
 27 adopted under section 2 of this chapter and confirmed under section 3
 28 of this chapter must include a provision with respect to the allocation
 29 and distribution of property taxes for the purposes and in the manner
 30 provided in this section. The allocation provision must apply to the
 31 entire economic development district. The allocation provisions must
 32 require that any property taxes subsequently levied by or for the benefit
 33 of any public body entitled to a distribution of property taxes on taxable
 34 property in the economic development district be allocated and
 35 distributed as follows:

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

38 (A) the assessed value of the property for the assessment date
 39 with respect to which the allocation and distribution is made;
 40 or

41 (B) the base assessed value;

42 shall be allocated to and, when collected, paid into the funds of

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1 the respective taxing units. However, if the effective date of the
 2 allocation provision of a declaratory ordinance is after March 1,
 3 1985, and before January 1, 1986, and if an improvement to
 4 property was partially completed on March 1, 1985, the unit may
 5 provide in the declaratory ordinance that the taxes attributable to
 6 the assessed value of the property as finally determined for March
 7 1, 1984, shall be allocated to and, when collected, paid into the
 8 funds of the respective taxing units.

9 (2) Except as otherwise provided in this section, part or all of the
 10 property tax proceeds in excess of those described in subdivision
 11 (1), as specified in the declaratory ordinance, shall be allocated to
 12 the unit for the economic development district and, when
 13 collected, paid into a special fund established by the unit for that
 14 economic development district that may be used only to pay the
 15 principal of and interest on obligations owed by the unit under
 16 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
 17 industrial development programs in, or serving, that economic
 18 development district. The amount not paid into the special fund
 19 shall be paid to the respective units in the manner prescribed by
 20 subdivision (1).

21 (3) When the money in the fund is sufficient to pay all
 22 outstanding principal of and interest (to the earliest date on which
 23 the obligations can be redeemed) on obligations owed by the unit
 24 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing
 25 of industrial development programs in, or serving, that economic
 26 development district, money in the special fund in excess of that
 27 amount shall be paid to the respective taxing units in the manner
 28 prescribed by subdivision (1).

29 (b) Property tax proceeds allocable to the economic development
 30 district under subsection (a)(2) must, subject to subsection (a)(3), be
 31 irrevocably pledged by the unit for payment as set forth in subsection
 32 (a)(2).

33 (c) For the purpose of allocating taxes levied by or for any taxing
 34 unit or units, the assessed value of taxable property in a territory in the
 35 economic development district that is annexed by any taxing unit after
 36 the effective date of the allocation provision of the declaratory
 37 ordinance is the lesser of:

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

41 (d) Notwithstanding any other law, each assessor shall, upon
 42 petition of the fiscal body, reassess the taxable property situated upon

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1 or in, or added to, the economic development district effective on the
2 next assessment date after the petition.

3 (e) Notwithstanding any other law, the assessed value of all taxable
4 property in the economic development district, for purposes of tax
5 limitation, property tax replacement, and formulation of the budget, tax
6 rate, and tax levy for each political subdivision in which the property
7 is located, is the lesser of:

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

10 (2) the base assessed value.

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

15 (1) general reassessment under ~~IC 6-1.1-4~~, **IC 6-1.1-4-4**; or

16 (2) **reassessment of a group of parcels under a reassessment**
17 **plan prepared under IC 6-1.1-4-4.2**;

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

27 (g) As used in this section, "property taxes" means:

28 (1) taxes imposed under this article on real property; and

29 (2) any part of the taxes imposed under this article on depreciable
30 personal property that the unit has by ordinance allocated to the
31 economic development district. However, the ordinance may not
32 limit the allocation to taxes on depreciable personal property with
33 any particular useful life or lives.

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

39 (h) As used in this section, "base assessed value" means:

40 (1) the net assessed value of all the property as finally determined
41 for the assessment date immediately preceding the effective date
42 of the allocation provision of the declaratory resolution, as

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

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

10 SECTION 41. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007,
 11 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2012]: Sec. 28. (a) Subject to this section and section 34
 13 of this chapter, the amount of the deduction which the property owner
 14 is entitled to receive under this chapter for a particular year equals the
 15 product of:

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

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

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

23 YEAR OF DEDUCTION	PERCENTAGE
24 1st	100%
25 2nd	66%
26 3rd	33%

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

28 YEAR OF DEDUCTION	PERCENTAGE
29 1st	100%
30 2nd	85%
31 3rd	66%
32 4th	50%
33 5th	34%
34 6th	17%

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

36 YEAR OF DEDUCTION	PERCENTAGE
37 1st	100%
38 2nd	95%
39 3rd	80%
40 4th	65%
41 5th	50%
42 6th	40%

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1	7th	30%
2	8th	20%
3	9th	10%
4	10th	5%

5 (c) 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 a:

- 9 (A) general reassessment of real property **under IC 6-1.1-4-4;**
- 10 **or**
- 11 **(B) 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 (3) The amount of the deduction may not exceed the limitations
 22 imposed by the designating body under section 23 of this chapter.

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

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

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

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

33 SECTION 42. IC 33-26-8-1, AS AMENDED BY P.L.1-2007,
 34 SECTION 213, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JANUARY 1, 2012]: Sec. 1. As used in this chapter,
 36 "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment
 37 review, or special reassessment contractor of the department of local
 38 government finance under IC 6-1.1-4-32 (repealed).

39 SECTION 43. IC 33-26-8-3, AS AMENDED BY P.L.1-2007,
 40 SECTION 214, IS AMENDED TO READ AS FOLLOWS
 41 [EFFECTIVE JANUARY 1, 2012]: Sec. 3. As used in this chapter,
 42 "qualifying official" refers to any of the following:

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

17 SECTION 44. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,
 18 SECTION 691, IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JANUARY 1, 2012]: Sec. 13. The county fiscal body
 20 may grant to the county assessor, in addition to the compensation fixed
 21 under IC 36-2-5, a per diem for each day that the assessor is engaged
 22 in ~~general~~ reassessment activities **under IC 6-1.1-4-4 or under a**
 23 **reassessment plan prepared under IC 6-1.1-4-4.2.** This section
 24 applies regardless of whether professional assessing services are
 25 provided under a contract to one (1) or more townships in the county.

26 SECTION 45. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,
 27 SECTION 717, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JANUARY 1, 2012]: Sec. 5. (a) When performing the
 29 real property reassessment duties ~~prescribed by IC 6-1.1-4,~~ **under**
 30 **IC 6-1.1-4-4 or a county's reassessment plan prepared under**
 31 **IC 6-1.1-4-4.2,** a township assessor may receive per diem
 32 compensation, in addition to salary, at a rate fixed by the county fiscal
 33 body, for each day that the assessor is engaged in reassessment
 34 activities.

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

37 SECTION 46. IC 36-7-14-39, AS AMENDED BY
 38 P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 39. (a) As used
 40 in this section:

41 "Allocation area" means that part of a redevelopment project area
 42 to which an allocation provision of a declaratory resolution adopted

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1 under section 15 of this chapter refers for purposes of distribution and
2 allocation of property taxes.

3 "Base assessed value" means the following:

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

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

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

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

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

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

28 (3) If:

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

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

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

39 (4) Except as provided in subdivision (5), for all other allocation
40 areas, the net assessed value of all the property as finally
41 determined for the assessment date immediately preceding the
42 effective date of the allocation provision of the declaratory

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- 1 resolution, as adjusted under subsection (h).
- 2 (5) If an allocation area established in an economic development
- 3 area before July 1, 1995, is expanded after June 30, 1995, the
- 4 definition in subdivision (1) applies to the expanded part of the
- 5 area added after June 30, 1995.
- 6 (6) If an allocation area established in a redevelopment project
- 7 area before July 1, 1997, is expanded after June 30, 1997, the
- 8 definition in subdivision (2) applies to the expanded part of the
- 9 area added after June 30, 1997.

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

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

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1 payable only from allocated tax proceeds with respect to the allocation
 2 area remain outstanding as of the expiration date, the allocation
 3 provision does not expire until all of the bonds or other obligations are
 4 no longer outstanding. The allocation provision may apply to all or part
 5 of the redevelopment project area. The allocation provision must
 6 require that any property taxes subsequently levied by or for the benefit
 7 of any public body entitled to a distribution of property taxes on taxable
 8 property in the allocation area be allocated and distributed as follows:

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

11 (A) the assessed value of the property for the assessment date
 12 with respect to which the allocation and distribution is made;
 13 or

14 (B) the base assessed value;

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

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

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

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

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

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

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

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

42 (G) Reimburse the unit for expenditures made by it for local

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

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

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

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) (**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.

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

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

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

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

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

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

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

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

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interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

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

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

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

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

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1 for each political subdivision in which the property is located is the
2 lesser of:

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

6 (g) If any part of the allocation area is located in an enterprise zone
7 created under IC 5-28-15, the unit that designated the allocation area
8 shall create funds as specified in this subsection. A unit that has
9 obligations, bonds, or leases payable from allocated tax proceeds under
10 subsection (b)(2) shall establish an allocation fund for the purposes
11 specified in subsection (b)(2) and a special zone fund. Such a unit
12 shall, until the end of the enterprise zone phase out period, deposit each
13 year in the special zone fund any amount in the allocation fund derived
14 from property tax proceeds in excess of those described in subsection
15 (b)(1) from property located in the enterprise zone that exceeds the
16 amount sufficient for the purposes specified in subsection (b)(2) for the
17 year. The amount sufficient for purposes specified in subsection (b)(2)
18 for the year shall be determined based on the pro rata portion of such
19 current property tax proceeds from the part of the enterprise zone that
20 is within the allocation area as compared to all such current property
21 tax proceeds derived from the allocation area. A unit that has no
22 obligations, bonds, or leases payable from allocated tax proceeds under
23 subsection (b)(2) shall establish a special zone fund and deposit all the
24 property tax proceeds in excess of those described in subsection (b)(1)
25 in the fund derived from property tax proceeds in excess of those
26 described in subsection (b)(1) from property located in the enterprise
27 zone. The unit that creates the special zone fund shall use the fund
28 (based on the recommendations of the urban enterprise association) for
29 programs in job training, job enrichment, and basic skill development
30 that are designed to benefit residents and employers in the enterprise
31 zone or other purposes specified in subsection (b)(2), except that where
32 reference is made in subsection (b)(2) to allocation area it shall refer
33 for purposes of payments from the special zone fund only to that part
34 of the allocation area that is also located in the enterprise zone. Those
35 programs shall reserve at least one-half (1/2) of their enrollment in any
36 session for residents of the enterprise zone.

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

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

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

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

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

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

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

33 SECTION 47. IC 36-7-15.1-26, AS AMENDED BY
 34 P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 26.(a) As used in
 36 this section:

37 "Allocation area" means that part of a redevelopment project area
 38 to which an allocation provision of a resolution adopted under section
 39 8 of this chapter refers for purposes of distribution and allocation of
 40 property taxes.

41 "Base assessed value" means the following:

42 (1) If an allocation provision is adopted after June 30, 1995, in a

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declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

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

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

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

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

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

(3) If:

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

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

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

(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

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1 area added after June 30, 1995.
 2 (6) If an allocation area established in a redevelopment project
 3 area before July 1, 1997, is expanded after June 30, 1997, the
 4 definition in subdivision (2) applies to the expanded part of the
 5 area added after June 30, 1997.

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

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

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1 The allocation provision must require that any property taxes
 2 subsequently levied by or for the benefit of any public body entitled to
 3 a distribution of property taxes on taxable property in the allocation
 4 area be allocated and distributed as follows:
 5 (1) Except as otherwise provided in this section, the proceeds of
 6 the taxes attributable to the lesser of:
 7 (A) the assessed value of the property for the assessment date
 8 with respect to which the allocation and distribution is made;
 9 or
 10 (B) the base assessed value;
 11 shall be allocated to and, when collected, paid into the funds of
 12 the respective taxing units.
 13 (2) Except as otherwise provided in this section, property tax
 14 proceeds in excess of those described in subdivision (1) shall be
 15 allocated to the redevelopment district and, when collected, paid
 16 into a special fund for that allocation area that may be used by the
 17 redevelopment district only to do one (1) or more of the
 18 following:
 19 (A) Pay the principal of and interest on any obligations
 20 payable solely from allocated tax proceeds that are incurred by
 21 the redevelopment district for the purpose of financing or
 22 refinancing the redevelopment of that allocation area.
 23 (B) Establish, augment, or restore the debt service reserve for
 24 bonds payable solely or in part from allocated tax proceeds in
 25 that allocation area.
 26 (C) Pay the principal of and interest on bonds payable from
 27 allocated tax proceeds in that allocation area and from the
 28 special tax levied under section 19 of this chapter.
 29 (D) Pay the principal of and interest on bonds issued by the
 30 consolidated city to pay for local public improvements that are
 31 physically located in or physically connected to that allocation
 32 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 17.1 of this
 38 chapter.
 39 (G) Reimburse the consolidated city for expenditures for local
 40 public improvements (which include buildings, parking
 41 facilities, and other items set forth in section 17 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) 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

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

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

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

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

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

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

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

32 (2) the base assessed value.

33 (d) Property tax proceeds allocable to the redevelopment district
 34 under subsection (b)(2) may, subject to subsection (b)(3), be
 35 irrevocably pledged by the redevelopment district for payment as set
 36 forth in subsection (b)(2).

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

41 (f) Notwithstanding any other law, the assessed value of all taxable
 42 property in the allocation area, for purposes of tax limitation, property

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

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

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

27 (1) To pay for programs in job training, job enrichment, and basic
 28 skill development designed to benefit residents and employers in
 29 the enterprise zone. The programs must reserve at least one-half
 30 (1/2) of the enrollment in any session for residents of the
 31 enterprise zone.

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

36 (A) Businesses operating in the enterprise zone.

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

39 (3) To provide funds to carry out other purposes specified in
 40 subsection (b)(2). However, where reference is made in
 41 subsection (b)(2) to the allocation area, the reference refers for
 42 purposes of payments from the special zone fund only to that part

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1 of the allocation area that is also located in the enterprise zone.
 2 (h) The state board of accounts and department of local government
 3 finance shall make the rules and prescribe the forms and procedures
 4 that they consider expedient for the implementation of this chapter.
 5 After each general reassessment **of real property in an area and after**
 6 **each reassessment under a reassessment plan prepared** under
 7 ~~IC 6-1.1-4~~, **IC 6-1.1-4-4.2**, the department of local government finance
 8 shall adjust the base assessed value one (1) time to neutralize any effect
 9 of the ~~general~~ **reassessment of the real property in the area** on the
 10 property tax proceeds allocated to the redevelopment district under this
 11 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 12 department of local government finance shall adjust the base assessed
 13 value to neutralize any effect of the annual adjustment on the property
 14 tax proceeds allocated to the redevelopment district under this section.
 15 However, the adjustments under this subsection may not include the
 16 effect of property tax abatements under IC 6-1.1-12.1, and these
 17 adjustments may not produce less property tax proceeds allocable to
 18 the redevelopment district under subsection (b)(2) than would
 19 otherwise have been received if the general reassessment,
 20 **reassessment under the reassessment plan**, or annual adjustment had
 21 not occurred. The department of local government finance may
 22 prescribe procedures for county and township officials to follow to
 23 assist the department in making the adjustments.
 24 (i) The allocation deadline referred to in subsection (b) is
 25 determined in the following manner:
 26 (1) The initial allocation deadline is December 31, 2011.
 27 (2) Subject to subdivision (3), the initial allocation deadline and
 28 subsequent allocation deadlines are automatically extended in
 29 increments of five (5) years, so that allocation deadlines
 30 subsequent to the initial allocation deadline fall on December 31,
 31 2016, and December 31 of each fifth year thereafter.
 32 (3) At least one (1) year before the date of an allocation deadline
 33 determined under subdivision (2), the general assembly may enact
 34 a law that:
 35 (A) terminates the automatic extension of allocation deadlines
 36 under subdivision (2); and
 37 (B) specifically designates a particular date as the final
 38 allocation deadline.
 39 SECTION 48. IC 36-7-15.1-53, AS AMENDED BY
 40 P.L.182-2009(ss), SECTION 407, IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JANUARY 1, 2012]: Sec. 53. (a) As used
 42 in this section:

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1 "Allocation area" means that part of a redevelopment project area
 2 to which an allocation provision of a resolution adopted under section
 3 40 of this chapter refers for purposes of distribution and allocation of
 4 property taxes.

5 "Base assessed value" means:

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

10 (2) to the extent that it is not included in subdivision (1), the net
 11 assessed value of property that is assessed as residential property
 12 under the rules of the department of local government finance, as
 13 finally determined for any assessment date after the effective date
 14 of the allocation provision.

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

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

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1 any property taxes subsequently levied by or for the benefit of any
 2 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 to the redevelopment district and, when collected, paid
 15 into a special fund for that allocation area that may be used by the
 16 redevelopment district only to do one (1) or more of the
 17 following:
 18 (A) Pay the principal of and interest on any obligations
 19 payable solely from allocated tax proceeds that are incurred by
 20 the redevelopment district for the purpose of financing or
 21 refinancing the redevelopment of that allocation area.
 22 (B) Establish, augment, or restore the debt service reserve for
 23 bonds payable solely or in part from allocated tax proceeds in
 24 that allocation area.
 25 (C) Pay the principal of and interest on bonds payable from
 26 allocated tax proceeds in that allocation area and from the
 27 special tax levied under section 50 of this chapter.
 28 (D) Pay the principal of and interest on bonds issued by the
 29 excluded city to pay for local public improvements that are
 30 physically located in or physically connected to that allocation
 31 area.
 32 (E) Pay premiums on the redemption before maturity of bonds
 33 payable solely or in part from allocated tax proceeds in that
 34 allocation area.
 35 (F) Make payments on leases payable from allocated tax
 36 proceeds in that allocation area under section 46 of this
 37 chapter.
 38 (G) Reimburse the excluded city for expenditures for local
 39 public improvements (which include buildings, park facilities,
 40 and other items set forth in section 45 of this chapter) that are
 41 physically located in or physically connected to that allocation
 42 area.

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

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

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

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

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

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

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

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

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1 taxing units in the manner prescribed in subdivision (1).
2 The county auditor shall allocate to the respective taxing units
3 the amount, if any, of excess assessed value determined by the
4 commission. The commission may not authorize an allocation
5 to the respective taxing units under this subdivision if to do so
6 would endanger the interests of the holders of bonds described
7 in subdivision (2).
8 (c) For the purpose of allocating taxes levied by or for any taxing
9 unit or units, the assessed value of taxable property in a territory in the
10 allocation area that is annexed by any taxing unit after the effective
11 date of the allocation provision of the resolution is the lesser of:
12 (1) the assessed value of the property for the assessment date with
13 respect to which the allocation and distribution is made; or
14 (2) the base assessed value.
15 (d) Property tax proceeds allocable to the redevelopment district
16 under subsection (b)(2) may, subject to subsection (b)(3), be
17 irrevocably pledged by the redevelopment district for payment as set
18 forth in subsection (b)(2).
19 (e) Notwithstanding any other law, each assessor shall, upon
20 petition of the commission, reassess the taxable property situated upon
21 or in, or added to, the allocation area, effective on the next assessment
22 date after the petition.
23 (f) Notwithstanding any other law, the assessed value of all taxable
24 property in the allocation area, for purposes of tax limitation, property
25 tax replacement, and formulation of the budget, tax rate, and tax levy
26 for each political subdivision in which the property is located, is the
27 lesser of:
28 (1) the assessed value of the property as valued without regard to
29 this section; or
30 (2) the base assessed value.
31 (g) If any part of the allocation area is located in an enterprise zone
32 created under IC 5-28-15, the unit that designated the allocation area
33 shall create funds as specified in this subsection. A unit that has
34 obligations, bonds, or leases payable from allocated tax proceeds under
35 subsection (b)(2) shall establish an allocation fund for the purposes
36 specified in subsection (b)(2) and a special zone fund. Such a unit
37 shall, until the end of the enterprise zone phase out period, deposit each
38 year in the special zone fund the amount in the allocation fund derived
39 from property tax proceeds in excess of those described in subsection
40 (b)(1) from property located in the enterprise zone that exceeds the
41 amount sufficient for the purposes specified in subsection (b)(2) for the
42 year. A unit that has no obligations, bonds, or leases payable from

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1 allocated tax proceeds under subsection (b)(2) shall establish a special
 2 zone fund and deposit all the property tax proceeds in excess of those
 3 described in subsection (b)(1) in the fund derived from property tax
 4 proceeds in excess of those described in subsection (b)(1) from
 5 property located in the enterprise zone. The unit that creates the special
 6 zone fund shall use the fund, based on the recommendations of the
 7 urban enterprise association, for one (1) or more of the following
 8 purposes:

9 (1) To pay for programs in job training, job enrichment, and basic
 10 skill development designed to benefit residents and employers in
 11 the enterprise zone. The programs must reserve at least one-half
 12 (1/2) of the enrollment in any session for residents of the
 13 enterprise zone.

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

18 (A) Businesses operating in the enterprise zone.

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

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

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

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1 (b)(2) than would otherwise have been received if the general
2 reassessment, **reassessment under the county's reassessment plan**,
3 or annual adjustment had not occurred. The department of local
4 government finance may prescribe procedures for county and township
5 officials to follow to assist the department in making the adjustments.

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

- 8 (1) The initial allocation deadline is December 31, 2011.
- 9 (2) Subject to subdivision (3), the initial allocation deadline and
10 subsequent allocation deadlines are automatically extended in
11 increments of five (5) years, so that allocation deadlines
12 subsequent to the initial allocation deadline fall on December 31,
13 2016, and December 31 of each fifth year thereafter.
- 14 (3) At least one (1) year before the date of an allocation deadline
15 determined under subdivision (2), the general assembly may enact
16 a law that:

- 17 (A) terminates the automatic extension of allocation deadlines
18 under subdivision (2); and
- 19 (B) specifically designates a particular date as the final
20 allocation deadline.

21 SECTION 49. IC 36-7-30-25, AS AMENDED BY P.L.104-2010,
22 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JANUARY 1, 2012]: Sec. 25. (a) The following definitions apply
24 throughout this section:

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

29 (2) "Base assessed value" means:

- 30 (A) the net assessed value of all the property as finally
31 determined for the assessment date immediately preceding the
32 adoption date of the allocation provision of the declaratory
33 resolution, as adjusted under subsection (h); plus
- 34 (B) to the extent that it is not included in clause (A) or (C), the
35 net assessed value of any and all parcels or classes of parcels
36 identified as part of the base assessed value in the declaratory
37 resolution or an amendment thereto, as finally determined for
38 any subsequent assessment date; plus
- 39 (C) to the extent that it is not included in clause (A) or (B), the
40 net assessed value of property that is assessed as residential
41 property under the rules of the department of local government
42 finance, as finally determined for any assessment date after the

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

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

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1 levies under IC 6-1.1-17-5 for each of the other taxing units
 2 that is wholly or partly located within the allocation area. The
 3 notice must:

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

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

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

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

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

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

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

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

41 (g) If any part of the allocation area is located in an enterprise zone
 42 created under IC 5-28-15, the unit that designated the allocation area

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

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

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1 base reuse district under subsection (b)(2) than would otherwise have
 2 been received if the general reassessment, **reassessment under the**
 3 **county's reassessment plan**, or annual adjustment had not occurred.
 4 The department of local government finance may prescribe procedures
 5 for county and township officials to follow to assist the department in
 6 making the adjustments.

7 SECTION 50. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,
 8 SECTION 772, IS AMENDED TO READ AS FOLLOWS
 9 [EFFECTIVE JANUARY 1, 2012]: Sec. 30. (a) The following
 10 definitions apply throughout this section:

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

15 (2) "Base assessed value" means:

16 (A) the net assessed value of all the property as finally
 17 determined for the assessment date immediately preceding the
 18 adoption 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) or (C), the
 21 net assessed value of any and all parcels or classes of parcels
 22 identified as part of the base assessed value in the declaratory
 23 resolution or an amendment to the declaratory resolution, as
 24 finally determined for any subsequent assessment date; plus

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

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

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

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1 a distribution of property taxes on taxable property in the allocation
2 area be allocated and distributed as follows:

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

5 (A) the assessed value of the property for the assessment date
6 with respect to which the allocation and distribution is made;
7 or

8 (B) the base assessed value;

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

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

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

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

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

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

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

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

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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; by
(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 32 of this chapter (before its repeal) in the same year.

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

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

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

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

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

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

- (A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due,

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1 principal and interest payments on bonds described in
 2 subdivision (2) plus the amount necessary for other purposes
 3 described in subdivision (2).

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

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

13 (ii) state that the development authority has determined that
 14 there is no excess assessed value that may be allocated to the
 15 respective taxing units in the manner prescribed in
 16 subdivision (1).

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

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

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

33 (2) the base assessed value.

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

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

42 (f) Notwithstanding any other law, the assessed value of all taxable

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

39 (h) After each general reassessment of real property in an area
40 under IC 6-1.1-4-4 or reassessment under a reassessment plan
41 prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2, the department of local
42 government finance shall adjust the base assessed value one (1) time

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

17 SECTION 51. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,
 18 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JANUARY 1, 2012]: Sec. 19. (a) The state board of accounts and
 20 department of local government finance shall make the rules and
 21 prescribe the forms and procedures that the state board of accounts and
 22 department of local government finance consider appropriate for the
 23 implementation of an allocation area under this chapter.

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

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