
HOUSE BILL No. 1190

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 to, before 2014, 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 four different groups of parcels. Requires that each group of parcels must contain at least 25% of the parcels within each class of real property in the county. Requires a county to reassess at least 25% of the parcels in the county in one year, and to reassess all parcels in the county every four years. 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. Makes technical corrections. Changes population parameters to reflect the population count determined under the 2010 decennial census.

Effective: July 1, 2012; January 1, 2013.

Crouch, Thompson

January 9, 2012, read first time and referred to Committee on Ways and Means.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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HOUSE BILL No. 1190



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, 2012]: 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, 2012]: **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, 2013]: Sec. 4.5. (a) The department of local government
 12 finance shall adopt rules establishing a system for annually adjusting
 13 the assessed value of real property to account for changes in value in
 14 those years since a ~~general~~ reassessment of **under section 4 or 4.2 of**
 15 **this chapter for the** property last took effect.

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

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

- 22 (1) Promote uniform and equal assessment of real property within
 23 and across classifications.
 24 (2) Require that assessing officials:
 25 (A) reevaluate the factors that affect value;
 26 (B) express the interactions of those factors mathematically;
 27 (C) use mass appraisal techniques to estimate updated property
 28 values within statistical measures of accuracy; and
 29 (D) provide notice to taxpayers of an assessment increase that
 30 results from the application of annual adjustments.
 31 (3) Prescribe procedures that permit the application of the
 32 adjustment percentages in an efficient manner by assessing
 33 officials.

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

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

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1 shall adjust the methodology to:

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

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

11 SECTION 4. IC 6-1.1-4-5, AS AMENDED BY P.L.113-2010,
 12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JANUARY 1, 2013]: Sec. 5. (a) A petition for the reassessment of a
 14 real property **subject to reassessment under section 4 of this chapter**
 15 situated within a township may be filed with the department of local
 16 government finance on or before March ~~31st~~ **31** of any year which is
 17 not a general election year and in which no general reassessment of real
 18 property is made. A petition for reassessment of real property applies
 19 only to the most recent real property assessment date.

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

- 23 (1) fifteen percent (15%) for a township which does not contain
 24 an incorporated city or town;
 25 (2) five percent (5%) for a township containing all or part of an
 26 incorporated city or town which has a population of five thousand
 27 (5,000) or less;
 28 (3) four percent (4%) for a township containing all or part of an
 29 incorporated city which has a population of more than five
 30 thousand (5,000) but not exceeding ten thousand (10,000);
 31 (4) three percent (3%) for a township containing all or part of an
 32 incorporated city which has a population of more than ten
 33 thousand (10,000) but not exceeding fifty thousand (50,000);
 34 (5) two percent (2%) for a township containing all or part of an
 35 incorporated city which has a population of more than fifty
 36 thousand (50,000) but not exceeding one hundred fifty thousand
 37 (150,000); or
 38 (6) one percent (1%) for a township containing all or part of an
 39 incorporated city which has a population of more than one
 40 hundred fifty thousand (150,000).

41 The signatures on the petition must be verified by the oath of one (1)
 42 or more of the signers. A certificate of the county auditor stating that

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

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

7 SECTION 5. IC 6-1.1-4-5.5 IS ADDED TO THE INDIANA CODE
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
9 JANUARY 1, 2013]: **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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: **Sec. 21.4. (a) The appraisals,**
23 **under a county's reassessment plan prepared under section 4.2 of**
24 **this chapter, of the parcels in a group that are subject to taxation**
25 **must 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, 2013]: 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 ~~(e)~~ (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.172-2011,
 28 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2013]: Sec. 27.5. (a) The auditor of each county shall
 30 establish a property reassessment fund. The county treasurer shall
 31 deposit all collections resulting from the property taxes that the county
 32 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, ~~2010~~, **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, ~~2015~~, **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, 2013]: 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, 2013]: 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) reassessment of a group 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, 2013]: 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, 2013]: 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) a reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter;**
- ~~(3) work required to be performed by local officials under 50 IAC 21; and~~
- ~~(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, 2013]: 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, 2013]: 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, 2013]: 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, 2013]: 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.173-2011,
 42 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JANUARY 1, 2013]: 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) either of the following:

8 (A) The percentage prescribed in the table set forth in
 9 subsection (d).

10 (B) ~~The A~~ percentage ~~prescribed by determined under~~
 11 section 17 of this chapter if the designating body elects to use
 12 ~~the method set forth in an alternative abatement schedule~~
 13 **provided under** section 17 of this chapter.

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

17 (1) If:

18 (A) a ~~general~~ reassessment of real property **under**
 19 **IC 6-1.1-4-4; or**

20 (B) **a reassessment under a county's reassessment plan**
 21 **prepared under IC 6-1.1-4-2;**

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

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

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

32 (c) Property owners who had an area designated an urban
 33 development area pursuant to an application filed prior to January 1,
 34 1979, are only entitled to the deduction for the first through the fifth
 35 years as provided in subsection ~~(d)(10): (d)(5)~~. In addition, property
 36 owners who are entitled to a deduction under this chapter pursuant to
 37 an application filed after December 31, 1978, and before January 1,
 38 1986, are entitled to a deduction for the first through the tenth years, as
 39 provided in subsection (d)(10).

40 (d) The percentage that may be used in calculating the deduction
 41 under subsection (a)(2)(A) is as follows:

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

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

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1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	88%
4	3rd	75%
5	4th	63%
6	5th	50%
7	6th	38%
8	7th	25%
9	8th	13%

10 (9) For deductions allowed over a nine (9) year period:

11	YEAR OF DEDUCTION	PERCENTAGE
12	1st	100%
13	2nd	88%
14	3rd	77%
15	4th	66%
16	5th	55%
17	6th	44%
18	7th	33%
19	8th	22%
20	9th	11%

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

22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	95%
25	3rd	80%
26	4th	65%
27	5th	50%
28	6th	40%
29	7th	30%
30	8th	20%
31	9th	10%
32	10th	5%

33 SECTION 24. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007,
 34 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2013]: Sec. 4.8. (a) A property owner that is an applicant
 36 for a deduction under this section must provide a statement of benefits
 37 to the designating body.

38 (b) If the designating body requires information from the property
 39 owner for the designating body's use in deciding whether to designate
 40 an economic revitalization area, the property owner must provide the
 41 completed statement of benefits form to the designating body before
 42 the hearing required by section 2.5(c) of this chapter. Otherwise, the



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1 property owner must submit the completed statement of benefits form
2 to the designating body before the occupation of the eligible vacant
3 building for which the property owner desires to claim a deduction.

4 (c) The department of local government finance shall prescribe a
5 form for the statement of benefits. The statement of benefits must
6 include the following information:

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

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

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

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

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

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

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

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

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

41 (4) Whether the occupation of the eligible vacant building will
42 increase the tax base and assist in the rehabilitation of the

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1 economic revitalization area.

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

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

7 (f) Except as otherwise provided in this section, the owner of an
8 eligible vacant building located in an economic revitalization area is
9 entitled to a deduction from the assessed value of the building if the
10 property owner or a tenant of the property owner occupies the eligible
11 vacant building and uses it for commercial or industrial purposes. The
12 property owner is entitled to the deduction:

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

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

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

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

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

27 A certified copy of a resolution under subdivision (2) shall be sent to
28 the county auditor, who shall make the deduction as provided in section
29 5.3 of this chapter. A determination concerning the number of years the
30 deduction is allowed that is made under subdivision (1) is final and
31 may not be changed by using the procedure under subdivision (2).

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

36 (1) the assessed value of the building or part of the building that
37 is occupied by the property owner or a tenant of the property
38 owner; multiplied by

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

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

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

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1 YEAR OF DEDUCTION PERCENTAGE
 2 1st 100%
 3 (2) For deductions allowed over a two (2) year period:
 4 YEAR OF DEDUCTION PERCENTAGE
 5 1st 100%
 6 2nd 50%

7 (j) The amount of the deduction determined under subsection (h)
 8 shall be adjusted in accordance with this subsection in the following
 9 circumstances:
 10 (1) If:
 11 (A) a general reassessment of real property **under**
 12 **IC 6-1.1-4-4; or**
 13 **(B) a reassessment under a county's reassessment plan**
 14 **prepared under IC 6-1.1-4-4.2;**
 15 occurs within the period of the deduction, the amount of the
 16 assessed value determined under subsection (h)(1) shall be
 17 adjusted to reflect the percentage increase or decrease in assessed
 18 valuation that resulted from the ~~general~~ reassessment.
 19 (2) If an appeal of an assessment is approved and results in a
 20 reduction of the assessed value of the property, the amount of a
 21 deduction under this section shall be adjusted to reflect the
 22 percentage decrease that resulted from the appeal.
 23 (k) The maximum amount of a deduction under this section may not
 24 exceed the lesser of:
 25 (1) the annual amount for which the eligible vacant building was
 26 offered for lease or rent by the owner or a previous owner during
 27 the period the eligible vacant building was unoccupied; or
 28 (2) an amount, as determined by the designating body in its
 29 discretion, that is equal to the annual amount for which similar
 30 buildings in the county or contiguous counties were leased or
 31 rented or offered for lease or rent during the period the eligible
 32 vacant building was unoccupied.
 33 (l) The department of local government finance may adopt rules
 34 under IC 4-22-2 to implement this section.
 35 SECTION 25. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,
 36 SECTION 130, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) For purposes of this
 38 section, an increase in the assessed value of real property is determined
 39 in the same manner that an increase in the assessed value of real
 40 property is determined for purposes of IC 6-1.1-12.1.
 41 (b) This subsection applies only to a development, redevelopment,
 42 or rehabilitation that is first assessed after March 1, 2005, and before

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1 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
2 and 8 of this chapter, an owner of real property that:

- 3 (1) develops, redevelops, or rehabilitates the real property; and
4 (2) creates or retains employment from the development,
5 redevelopment, or rehabilitation;

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

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

- 13 (1) two million dollars (\$2,000,000); or
14 (2) the product of:
15 (A) the increase in assessed value resulting from the
16 development, rehabilitation, or redevelopment; multiplied by
17 (B) the percentage from the following table:

18 YEAR OF DEDUCTION	PERCENTAGE
19 1st	75%
20 2nd	50%
21 3rd	25%

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

- 28 (1) inform the county auditor of the real property eligible for the
29 deduction as contained in the notice filed by the taxpayer under
30 this subsection; and
31 (2) inform the county auditor of the deduction amount.

32 (e) The county auditor shall:

- 33 (1) make the deductions; and
34 (2) notify the county property tax assessment board of appeals of
35 all deductions approved;

36 under this section.

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

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

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1 (2) **(3)** an annual adjustment under IC 6-1.1-4-4.5.

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

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

8 SECTION 26. IC 6-1.1-13-6 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. **(a)** A county
10 assessor shall inquire into the assessment of the classes of tangible
11 property in the various townships of the county after March 1 in the
12 year in which ~~the a~~ general reassessment **under IC 6-1.1-4-4** becomes
13 effective. The county assessor shall make any changes, whether
14 increases or decreases, in the assessed values which are necessary in
15 order to equalize these values in and between the various townships of
16 the county. In addition, the county assessor shall determine the percent
17 to be added to or deducted from the assessed values in order to make
18 a just, equitable, and uniform equalization of assessments in and
19 between the townships of the county.

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

31 SECTION 27. IC 6-1.1-13-7 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 7. If a county
33 assessor proposes to change assessments under section 6 of this
34 chapter, the property tax assessment board of appeals shall hold a
35 hearing on the proposed changes before July 15 in the year in which a
36 ~~general assessment~~ **the reassessment** is to commence. It is sufficient
37 notice of the hearing and of any changes in assessments ordered by the
38 board subsequent to the hearing if the board gives notice by publication
39 once either in:

40 (1) two (2) newspapers which represent different political parties
41 and which are published in the county; or

42 (2) one (1) newspaper only, if two (2) newspapers which

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1 represent different political parties are not published in the
2 county.

3 SECTION 28. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007,
4 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2013]: Sec. 4. (a) After receiving a petition for review
6 which is filed under section 3 of this chapter, the Indiana board shall
7 conduct a hearing at its earliest opportunity. The Indiana board may
8 correct any errors that may have been made and adjust the assessment
9 or exemption in accordance with the correction.

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

26 (c) If a petition for review does not comply with the Indiana board's
27 instructions for completing the form prescribed under section 3 of this
28 chapter, the Indiana board shall return the petition to the petitioner and
29 include a notice describing the defect in the petition. The petitioner
30 then has thirty (30) days from the date on the notice to cure the defect
31 and file a corrected petition. The Indiana board shall deny a corrected
32 petition for review if it does not substantially comply with the Indiana
33 board's instructions for completing the form prescribed under section
34 3 of this chapter.

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

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

41 (e) Except as provided in subsection (f), the Indiana board shall
42 conduct a hearing not later than nine (9) months after a petition in

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1 proper form is filed with the Indiana board, excluding any time due to
2 a delay reasonably caused by the petitioner.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (1) to file not more than five (5) business days before the date of

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1 the hearing required under subsection (a) documentary evidence
2 or summaries of statements of testimonial evidence; and
3 (2) to file not more than fifteen (15) business days before the date
4 of the hearing required under subsection (a) lists of witnesses and
5 exhibits to be introduced at the hearing.

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

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

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

20 (2) specify a limited precedential value of a final determination
21 under this subsection.

22 SECTION 29. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,
23 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JANUARY 1, 2013]: Sec. 1. (a) On or before August 1 of each year,
25 the county auditor shall send a certified statement, under the seal of the
26 board of county commissioners, to the fiscal officer of each political
27 subdivision of the county and the department of local government
28 finance. The statement shall contain:

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

31 (2) an estimate of the taxes to be distributed to the political
32 subdivision during the last six (6) months of the current calendar
33 year;

34 (3) the current assessed valuation as shown on the abstract of
35 charges;

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

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

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

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1 statement assessed valuation of omitted property discovered after
 2 the county auditor sent the earlier certified statement; or
 3 (3) the county auditor determines that the amendment under
 4 subsection (d) will not result in an increase in the tax rate or tax
 5 rates of the political subdivision.

6 SECTION 30. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011,
 7 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JANUARY 1, 2013]: Sec. 12. (a) For purposes of this section,
 9 "maximum rate" refers to the maximum:

10 (1) property tax rate or rates; or
 11 (2) special benefits tax rate or rates;
 12 referred to in the statutes listed in subsection (d).

13 (b) The maximum rate for taxes first due and payable after 2003 is
 14 the maximum rate that would have been determined under subsection
 15 (e) for taxes first due and payable in 2003 if subsection (e) had applied
 16 for taxes first due and payable in 2003.

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

- 19 (1) an annual adjustment of the assessed value of real property
 20 under IC 6-1.1-4-4.5; **or**
 21 (2) a general reassessment of real property under IC 6-1.1-4-4; **or**
 22 **(3) a reassessment under a county's reassessment plan**
 23 **prepared under IC 6-1.1-4-4.2.**

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

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

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

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1 (e) The new maximum rate under a statute listed in subsection (d)
2 is the tax rate determined under STEP SEVEN of the following STEPS:

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

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

15 STEP THREE: Determine the three (3) calendar years that
16 immediately precede the ensuing calendar year and in which a
17 statewide ~~general~~ reassessment of real property **under**
18 **IC 6-1.1-4-4 or IC 6-1.1-4-4.2** does not first take effect.

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

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

27 STEP SIX: Determine the greater of the following:

28 (A) Zero (0).

29 (B) The result of the STEP TWO percentage minus the STEP
30 FIVE percentage.

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

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

38 (g) This subsection applies to STEP TWO and STEP FOUR of
39 subsection (e) for taxes first due and payable after 2011. If the assessed
40 value change used in the STEPS was not an increase, the STEPS are
41 applied using instead:

42 (1) the actual percentage decrease (rounded to the nearest

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1 one-hundredth percent (0.01%)) in the assessed value (before the
 2 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;
 3 or

4 (2) zero (0) if the assessed value did not increase or decrease.

5 SECTION 31. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
 6 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2013]: Sec. 13. (a) The maximum property tax rate
 8 levied under IC 20-46-6 by each school corporation for the school
 9 corporation's capital projects fund must be adjusted each year to
 10 account for the change in assessed value of real property that results
 11 from:

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

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

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

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

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

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

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

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

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

41 STEP SIX: Determine the greater of the following:

42 (A) Zero (0).

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1 (B) The result of the STEP TWO percentage minus the STEP
 2 FIVE percentage.
 3 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 4 divided by the sum of one (1) plus the STEP SIX percentage
 5 increase.
 6 (c) The department of local government finance shall compute the
 7 maximum rate allowed under subsection (b) and provide the rate to
 8 each school corporation.
 9 SECTION 32. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.172-2011,
 10 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2013]: Sec. 9.8. (a) For purposes of determining the
 12 property tax levy limit imposed on a city, town, or county under section
 13 3 of this chapter, the city, town, or county's ad valorem property tax
 14 levy for a particular calendar year does not include an amount equal to
 15 the lesser of:
 16 (1) the amount of ad valorem property taxes that would be first
 17 due and payable to the city, town, or county during the ensuing
 18 calendar year if the taxing unit imposed the maximum permissible
 19 property tax rate per one hundred dollars (\$100) of assessed
 20 valuation that the civil taxing unit may impose for the particular
 21 calendar year under the authority of IC 36-9-14.5 (in the case of
 22 a county) or IC 36-9-15.5 (in the case of a city or town); or
 23 (2) the excess, if any, of:
 24 (A) the property taxes imposed by the city, town, or county
 25 under the authority of:
 26 IC 3-11-6-9;
 27 IC 8-16-3;
 28 IC 8-16-3.1;
 29 IC 8-22-3-25;
 30 IC 14-27-6-48;
 31 IC 14-33-9-3;
 32 IC 16-22-8-41;
 33 IC 16-22-5-2 through IC 16-22-5-15;
 34 IC 16-23-1-40;
 35 IC 36-8-14;
 36 IC 36-9-4-48;
 37 IC 36-9-14;
 38 IC 36-9-14.5;
 39 IC 36-9-15;
 40 IC 36-9-15.5;
 41 IC 36-9-16;
 42 IC 36-9-16.5;

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1 IC 36-9-17;
 2 IC 36-9-26;
 3 IC 36-9-27-100;
 4 IC 36-10-3-21; or
 5 IC 36-10-4-36;
 6 that are first due and payable during the ensuing calendar year;
 7 over
 8 (B) the property taxes imposed by the city, town, or county
 9 under the authority of the citations listed in clause (A) that
 10 were first due and payable during calendar year 1984.
 11 (b) The maximum property tax rate levied under the statutes listed
 12 in subsection (a) must be adjusted each year to account for the change
 13 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 (c) The new maximum rate under a statute listed in subsection (a)
 20 is the tax rate determined under STEP SEVEN of the following
 21 formula:
 22 STEP ONE: Determine the maximum rate for the political
 23 subdivision levying a property tax under the statute for the year
 24 preceding the year in which the annual adjustment or ~~general~~
 25 reassessment **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect.
 26 STEP TWO: Subject to subsection (e), determine the actual
 27 percentage change (rounded to the nearest one-hundredth percent
 28 (0.01%)) in the assessed value (before the adjustment, if any,
 29 under IC 6-1.1-4-4.5) of the taxable property from the year
 30 preceding the year the annual adjustment or ~~general~~ reassessment
 31 **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect to the year that
 32 the annual adjustment or general reassessment is effective.
 33 STEP THREE: Determine the three (3) calendar years that
 34 immediately precede the ensuing calendar year and in which a
 35 statewide ~~general~~ reassessment of real property **under**
 36 **IC 6-1.1-4-4 or IC 6-1.1-4-4.2** does not first become effective.
 37 STEP FOUR: Subject to subsection (e), compute separately, for
 38 each of the calendar years determined in STEP THREE, the actual
 39 percentage change (rounded to the nearest one-hundredth percent
 40 (0.01%)) in the assessed value (before the adjustment, if any,
 41 under IC 6-1.1-4-4.5) of the taxable property from the preceding
 42 year.

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

3 STEP SIX: Determine the greater of the following:

4 (A) Zero (0).

5 (B) The result of the STEP TWO percentage minus the STEP
6 FIVE percentage.

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

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

14 (e) This subsection applies to STEP TWO and STEP FOUR of
15 subsection (c) for taxes first due and payable after 2011. If the assessed
16 value change used in the STEPS was not an increase, the STEPS are
17 applied using instead:

18 (1) the actual percentage decrease (rounded to the nearest
19 one-hundredth percent (0.01%)) in the assessed value (before the
20 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;
21 or

22 (2) zero (0) if the assessed value did not increase or decrease.

23 SECTION 33. IC 6-1.1-18.5-10, AS AMENDED BY
24 P.L.182-2009(ss), SECTION 128, IS AMENDED TO READ AS
25 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 10. (a) The ad
26 valorem property tax levy limits imposed by section 3 of this chapter
27 do not apply to ad valorem property taxes imposed by a civil taxing
28 unit to be used to fund:

29 (1) community mental health centers under:

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

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

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

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

38 to the extent that those property taxes are attributable to any increase
39 in the assessed value of the civil taxing unit's taxable property caused
40 by a general reassessment of real property **under IC 6-1.1-4-4 or a**
41 **reassessment of real property under a county's reassessment plan**
42 **prepared under IC 6-1.1-4-4.2** that took effect after February 28,

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

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

12 (1) the assessed value growth quotient determined under section
13 2 of this chapter; minus

14 (2) one (1).

15 (d) For a county that:

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

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

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

32 (e) The ad valorem property tax levy limits imposed under section
33 3 of this chapter do not apply to the county's general fund levy in the
34 amount determined by the department of local government finance
35 under subsection (d) in each calendar year following the calendar year
36 for which the determination under subsection (b) is made.

37 SECTION 34. IC 6-1.1-18.5-13, AS AMENDED BY P.L. 172-2011,
38 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
39 JANUARY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under
40 section 12 of this chapter, the department may find that a civil taxing
41 unit should receive any one (1) or more of the following types of relief:

42 (1) Permission to the civil taxing unit to increase its levy in excess

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1 of the limitations established under section 3 of this chapter, if in
 2 the judgment of the department the increase is reasonably
 3 necessary due to increased costs of the civil taxing unit resulting
 4 from annexation, consolidation, or other extensions of
 5 governmental services by the civil taxing unit to additional
 6 geographic areas or persons. With respect to annexation,
 7 consolidation, or other extensions of governmental services in a
 8 calendar year, if those increased costs are incurred by the civil
 9 taxing unit in that calendar year and more than one (1)
 10 immediately succeeding calendar year, the unit may appeal under
 11 section 12 of this chapter for permission to increase its levy under
 12 this subdivision based on those increased costs in any of the
 13 following:

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

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

17 (2) A levy increase may not be granted under this subdivision for
 18 property taxes first due and payable after December 31, 2008.
 19 Permission to the civil taxing unit to increase its levy in excess of
 20 the limitations established under section 3 of this chapter, if the
 21 local government tax control board finds that the civil taxing unit
 22 needs the increase to meet the civil taxing unit's share of the costs
 23 of operating a court established by statute enacted after December
 24 31, 1973. Before recommending such an increase, the local
 25 government tax control board shall consider all other revenues
 26 available to the civil taxing unit that could be applied for that
 27 purpose. The maximum aggregate levy increases that the local
 28 government tax control board may recommend for a particular
 29 court equals the civil taxing unit's estimate of the unit's share of
 30 the costs of operating a court for the first full calendar year in
 31 which it is in existence. For purposes of this subdivision, costs of
 32 operating a court include:

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

34 (B) the cost of supplies; and

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

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

41 STEP ONE: Determine the three (3) calendar years that most
 42 immediately precede the ensuing calendar year and in which

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1 a statewide general reassessment of real property ~~or the initial~~
 2 ~~annual adjustment of the assessed value of real property~~ under
 3 ~~IC 6-1.1-4-4.5~~ **IC 6-1.1-4-4** does not first become effective.

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

8 (i) for a particular calendar year before 2007, the total
 9 assessed value of property tax deductions in the unit under
 10 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 11 year; or

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

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

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

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

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

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

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

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

42 STEP SIX: Divide the STEP THREE amount by the STEP

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

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1 the civil taxing unit is required to make under IC 36-8 during the
 2 ensuing calendar year exceeds the product of one and one-tenth
 3 (1.1) multiplied by the pension payments and contributions made
 4 by the civil taxing unit under IC 36-8 during the calendar year that
 5 immediately precedes the ensuing calendar year. For purposes of
 6 this subdivision, "pension payments and contributions made by a
 7 civil taxing unit" does not include that part of the payments or
 8 contributions that are funded by distributions made to a civil
 9 taxing unit by the state.

10 (6) 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 increase its levy in excess of the limitations
 13 established under section 3 of this chapter if the local government
 14 tax control board finds that:

15 (A) the township's township assistance ad valorem property
 16 tax rate is less than one and sixty-seven hundredths cents
 17 (\$0.0167) per one hundred dollars (\$100) of assessed
 18 valuation; and

19 (B) the township needs the increase to meet the costs of
 20 providing township assistance under IC 12-20 and IC 12-30-4.
 21 The maximum increase that the board may recommend for a
 22 township is the levy that would result from an increase in the
 23 township's township assistance ad valorem property tax rate of
 24 one and sixty-seven hundredths cents (\$0.0167) per one hundred
 25 dollars (\$100) of assessed valuation minus the township's ad
 26 valorem property tax rate per one hundred dollars (\$100) of
 27 assessed valuation before the increase.

28 (7) 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 a civil taxing unit to increase its levy in excess of
 31 the limitations established under section 3 of this chapter if:

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

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

38 The local government tax control board shall consider tax rates
 39 and levies in civil taxing units of comparable population, and the
 40 effect (if any) of a loss of federal or other funds to the civil taxing
 41 unit that might have been used for public transportation purposes.
 42 However, the increase that the board may recommend under this

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1 subdivision for a civil taxing unit may not exceed the revenue that
 2 would be raised by the civil taxing unit based on a property tax
 3 rate of one cent (\$0.01) per one hundred dollars (\$100) of
 4 assessed valuation.

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

10 (A) the civil taxing unit is:

11 (i) a county having a population of more than one hundred
 12 ~~forty-eight~~ **seventy** thousand (~~148,000~~) **(170,000)** but less
 13 than one hundred ~~seventy~~ **seventy-five** thousand (~~170,000~~);
 14 **(175,000)**;

15 (ii) a city having a population of more than ~~fifty-five~~ **sixty-**
 16 **five** thousand (~~55,000~~) **(65,000)** but less than ~~fifty-nine~~
 17 **seventy** thousand (~~59,000~~); **(70,000)**;

18 (iii) a city having a population of more than ~~twenty-eight~~
 19 **twenty-nine** thousand ~~seven~~ **five** hundred (~~28,700~~) **(29,500)**
 20 but less than twenty-nine thousand (~~29,000~~); **six hundred**
 21 **(29,600)**;

22 (iv) a city having a population of more than ~~fifteen~~ **thirteen**
 23 thousand four hundred (~~15,400~~) **fifty (13,450)** but less than
 24 ~~sixteen~~ **thirteen** thousand ~~six~~ **five** hundred (~~16,600~~);
 25 **(13,500)**; or

26 (v) a city having a population of more than ~~seven~~ **eight**
 27 thousand (~~7,000~~) **seven hundred (8,700)** but less than
 28 ~~seven~~ **nine** thousand ~~three~~ **hundred (7,300)**; **(9,000)**; and

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

35 The maximum increase that the local government tax control
 36 board may recommend for such a civil taxing unit is the levy that
 37 would result from a property tax rate of six and sixty-seven
 38 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 39 of assessed valuation. For purposes of computing the ad valorem
 40 property tax levy limit imposed on a civil taxing unit under
 41 section 3 of this chapter, the civil taxing unit's ad valorem
 42 property tax levy for a particular year does not include that part of

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1 the levy imposed under this subdivision. In addition, a property
 2 tax increase permitted under this subdivision may be imposed for
 3 only two (2) calendar years.

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

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

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

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

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

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

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

27 Before recommending an increase, the local government tax
 28 control board shall consider all other revenues available to the
 29 county that could be applied for that purpose. An appeal for
 30 operating funds for a jail or a juvenile detention center shall be
 31 considered individually, if a jail and juvenile detention center are
 32 both opened in one (1) county. The maximum aggregate levy
 33 increases that the local government tax control board may
 34 recommend for a county equals the county's share of the costs of
 35 operating the jail or a juvenile detention center for the first full
 36 calendar year in which the jail or juvenile detention center is in
 37 operation.

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

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1 increase so that the property tax rate to pay the costs of furnishing
 2 fire protection for a township, or a portion of a township, enables
 3 the township to pay a fair and reasonable amount under a contract
 4 with the municipality that is furnishing the fire protection.
 5 However, for the first time an appeal is granted the resulting rate
 6 increase may not exceed fifty percent (50%) of the difference
 7 between the rate imposed for fire protection within the
 8 municipality that is providing the fire protection to the township
 9 and the township's rate. A township is required to appeal a second
 10 time for an increase under this subdivision if the township wants
 11 to further increase its rate. However, a township's rate may be
 12 increased to equal but may not exceed the rate that is used by the
 13 municipality. More than one (1) township served by the same
 14 municipality may use this appeal.

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

31 (12) Permission to a city having a population of more than
 32 ~~twenty-nine~~ **thirty-one** thousand (~~29,000~~) **five hundred (31,500)**
 33 but less than thirty-one thousand (~~31,000~~) **seven hundred**
 34 **twenty-five (31,725)** to increase its levy in excess of the
 35 limitations established under section 3 of this chapter if:

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

39 (B) the increase has been approved by the legislative body of
 40 the city, and the legislative body of the city has by resolution
 41 determined that the increase is necessary to pay normal
 42 operating expenses.

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

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

(14) Permission to Jefferson County to increase its levy in excess of the limitations established under section 3 of this chapter if the department finds that the county experienced a property tax revenue shortfall that resulted from an erroneous estimate of the effect of the supplemental deduction under IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for a levy increase under this subdivision may not be denied because of the amount of cash balances in county funds. The maximum increase in the county's levy that may be approved under this subdivision is three hundred thousand dollars (\$300,000).

(b) The department of local government finance shall increase the maximum permissible ad valorem property tax levy under section 3 of this chapter for the city of Goshen for 2012 and thereafter by an amount equal to the greater of zero (0) or the result of:

(1) the city's total pension costs in 2009 for the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7); minus

(2) the sum of:

(A) the total amount of state funds received in 2009 by the city and used to pay benefits to members of the 1925 police pension fund (IC 36-8-6) or the 1937 firefighters' pension fund (IC 36-8-7); plus

(B) any previous permanent increases to the city's levy that were authorized to account for the transfer to the state of the responsibility to pay benefits to members of the 1925 police pension fund (IC 36-8-6) and the 1937 firefighters' pension fund (IC 36-8-7).

SECTION 35. IC 6-1.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's

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1 duties are complete.

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

7 (c) The department of local government finance may also call a
8 session of the county property tax assessment board after completion
9 of a general reassessment of real property **under IC 6-1.1-4-4 or a**
10 **reassessment under a county's reassessment plan prepared under**
11 **IC 6-1.1-4-4.2.** The department of local government finance shall fix
12 the time for and duration of the session.

13 SECTION 36. IC 6-1.1-31-9 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 9. (a) Except as
15 provided in subsection (b), the department of local government finance
16 may not adopt rules for the appraisal of real property:

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

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

22 (b) If rules ~~for the appraisal of real property in a general~~
23 **reassessment described in subsection (a)** are timely adopted under
24 subsection (a) and are then disapproved by the attorney general for any
25 reason under IC 4-22-2-32, the department of local government finance
26 may modify the rules to cure the defect that resulted in disapproval by
27 the attorney general, and may then take all actions necessary under
28 IC 4-22-2 to readopt and to obtain approval of the rules. This process
29 may be repeated as necessary until the rules are approved.

30 SECTION 37. IC 6-1.1-33.5-6 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. (a) With
32 respect to any township or county for any year, the department of local
33 government finance may initiate a review to determine whether to order
34 a special reassessment under this chapter. The review may apply to real
35 property or personal property, or both.

36 (b) If the department of local government finance determines under
37 subsection (a) ~~of this chapter~~ to initiate a review with respect to the real
38 property **subject to reassessment under IC 6-1.1-4-4** within a
39 township or county, or a portion of the real property within a township
40 or county, the division of data analysis of the department shall
41 determine for the real property under consideration and for the
42 township or county the variance between:



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

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

6 **(c) If the department of local government finance determines**
7 **under subsection (a) to initiate a review with respect to the real**
8 **property within a particular cycle under a county's reassessment**
9 **plan prepared under IC 6-1.1-4-4.2 or a portion of the real**
10 **property within a cycle, the division of data analysis of the**
11 **department shall determine for the real property under**
12 **consideration and for all groups of parcels within a particular**
13 **cycle, the variance between:**

14 **(1) the total assessed valuation of the real property within all**
15 **groups of parcels within a particular cycle; and**

16 **(2) the total assessed valuation that would result if the real**
17 **property within all groups of parcels within a particular cycle**
18 **were valued in the manner provided by law.**

19 ~~(c)~~ **(d)** If the department of local government finance determines
20 under subsection (a) ~~of this chapter~~ to initiate a review with respect to
21 personal property within a township or county, or a part of the personal
22 property within a township or county, the division of data analysis of
23 the department shall determine for the personal property under
24 consideration and for the township or county the variance between:

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

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

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

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

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

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

41 (2) the department of local government finance determines after
42 holding hearings on the matter that a special reassessment should

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1 be conducted;
 2 the department shall contract for a special reassessment to be
 3 conducted to correct the valuation of the property.

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

- 8 (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or
 9 (2) IC 6-1.1-14.

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

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

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

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

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

33 ~~(k)~~ **(l)** If the department of local government finance contracts for
 34 a special reassessment of property under this chapter, the department
 35 shall forward the bill for services of the reassessment contractor to the
 36 county auditor, and the county shall pay the bill from the county
 37 reassessment fund.

38 SECTION 38. IC 6-1.1-34-1, AS AMENDED BY P.L.182-2009(ss),
 39 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. In the year after:

- 41 (1) a general assessment of real property **under IC 6-1.1-4-4**
 42 becomes effective; **or**

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1 **(2) a reassessment cycle of real property under a county's**
 2 **reassessment plan prepared under IC 6-1.1-4-4.2 is**
 3 **completed;**
 4 the department of local government finance shall compute a new
 5 assessment ratio for each school corporation located in a county in
 6 which a supplemental county levy is imposed under IC 20-45-7 or
 7 IC 20-45-8. In all other years, the department shall compute a new
 8 assessment ratio for such a school corporation if the department finds
 9 that there has been sufficient reassessment or adjustment of one (1) or
 10 more classes of property in the school district. When the department of
 11 local government finance computes a new assessment ratio for a school
 12 corporation, the department shall publish the new ratio.
 13 SECTION 39. IC 6-1.1-34-7, AS AMENDED BY P.L.182-2009(ss),
 14 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JANUARY 1, 2013]: Sec. 7. (a) Each year in which the
 16 department of local government finance computes a new assessment
 17 ratio for a school corporation, the department shall also compute a new
 18 adjustment factor for the school corporation. If the school corporation's
 19 assessment ratio for a year is more than ninety-nine percent (99%) but
 20 less than one hundred one percent (101%) of the state average
 21 assessment ratio for that year, the school corporation's adjustment
 22 factor is the number one (1). In all other cases, the school corporation's
 23 adjustment factor equals:
 24 (1) the state average assessment ratio for a year; divided by
 25 (2) the school corporation's assessment ratio for that year.
 26 The department of local government finance shall notify the school
 27 corporation of its new adjustment factor before March 2 of the year in
 28 which the department calculates the new adjustment factor.
 29 (b) This subsection applies in a calendar year after which:
 30 **(1) a general reassessment under IC 6-1.1-4-4 takes effect; or**
 31 **(2) a cycle under a county's reassessment plan prepared under**
 32 **IC 6-1.1-4-4.2 is completed.**
 33 If the department of local government finance has not computed a new
 34 assessment ratio for a school corporation, the school corporation's
 35 adjustment factor is the number one (1) until the department of local
 36 government finance notifies the school corporation of the school
 37 corporation's new adjustment factor.
 38 SECTION 40. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
 39 SECTION 296, IS AMENDED TO READ AS FOLLOWS
 40 [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) A declaratory ordinance
 41 adopted under section 2 of this chapter and confirmed under section 3
 42 of this chapter must include a provision with respect to the allocation

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1 and distribution of property taxes for the purposes and in the manner
2 provided in this section. The allocation provision must apply to the
3 entire economic development district. The allocation provisions must
4 require that any property taxes subsequently levied by or for the benefit
5 of any public body entitled to a distribution of property taxes on taxable
6 property in the economic development district be allocated and
7 distributed as follows:

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

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

13 (B) the base assessed value;

14 shall be allocated to and, when collected, paid into the funds of
15 the respective taxing units. However, if the effective date of the
16 allocation provision of a declaratory ordinance is after March 1,
17 1985, and before January 1, 1986, and if an improvement to
18 property was partially completed on March 1, 1985, the unit may
19 provide in the declaratory ordinance that the taxes attributable to
20 the assessed value of the property as finally determined for March
21 1, 1984, shall be allocated to and, when collected, paid into the
22 funds of the respective taxing units.

23 (2) Except as otherwise provided in this section, part or all of the
24 property tax proceeds in excess of those described in subdivision
25 (1), as specified in the declaratory ordinance, shall be allocated to
26 the unit for the economic development district and, when
27 collected, paid into a special fund established by the unit for that
28 economic development district that may be used only to pay the
29 principal of and interest on obligations owed by the unit under
30 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of
31 industrial development programs in, or serving, that economic
32 development district. The amount not paid into the special fund
33 shall be paid to the respective units in the manner prescribed by
34 subdivision (1).

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

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

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

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

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

17 (e) Notwithstanding any other law, the assessed value of all taxable
18 property in the economic development district, for purposes of tax
19 limitation, property tax replacement, and formulation of the budget, tax
20 rate, and tax levy for each political subdivision in which the property
21 is located, is the lesser of:

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

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

- 29 **(1) general reassessment under IC 6-1.1-4, IC 6-1.1-4.4; or**
30 **(2) reassessment of a group of parcels under a county's**
31 **reassessment plan prepared under IC 6-1.1-4.4.2;**

32 the department of local government finance shall adjust the base
33 assessed value one (1) time to neutralize any effect of the ~~general~~
34 reassessment on the property tax proceeds allocated to the district
35 under this section. After each annual adjustment under IC 6-1.1-4.4.5,
36 the department of local government finance shall adjust the base
37 assessed value to neutralize any effect of the annual adjustment on the
38 property tax proceeds allocated to the district under this section.
39 However, the adjustments under this subsection may not include the
40 effect of property tax abatements under IC 6-1.1-12.1.

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

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

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

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

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

12 (1) the net assessed value of all the property as finally determined
13 for the assessment date immediately preceding the effective date
14 of the allocation provision of the declaratory resolution, as
15 adjusted under subsection (f); plus

16 (2) to the extent that it is not included in subdivision (1), the net
17 assessed value of property that is assessed as residential property
18 under the rules of the department of local government finance, as
19 finally determined for any assessment date after the effective date
20 of the allocation provision.

21 Subdivision (2) applies only to economic development districts
22 established after June 30, 1997, and to additional areas established
23 after June 30, 1997.

24 SECTION 41. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007,
25 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JANUARY 1, 2013]: Sec. 28. (a) Subject to this section and section 34
27 of this chapter, the amount of the deduction which the property owner
28 is entitled to receive under this chapter for a particular year equals the
29 product of:

30 (1) the increase in the assessed value resulting from the
31 remediation and redevelopment in the zone or the location of
32 personal property in the zone, or both; multiplied by

33 (2) the percentage determined under subsection (b).

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

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

37 YEAR OF DEDUCTION	PERCENTAGE
38 1st	100%
39 2nd	66%
40 3rd	33%

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

42 YEAR OF DEDUCTION	PERCENTAGE
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1	1st	100%
2	2nd	85%
3	3rd	66%
4	4th	50%
5	5th	34%
6	6th	17%
7	(3) For deductions allowed over a ten (10) year period:	
8	YEAR OF DEDUCTION	PERCENTAGE
9	1st	100%
10	2nd	95%
11	3rd	80%
12	4th	65%
13	5th	50%
14	6th	40%
15	7th	30%
16	8th	20%
17	9th	10%
18	10th	5%

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

(1) If a:

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

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

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

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

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

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

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

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written

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1 standards adopted by the department of environmental
2 management.

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

5 SECTION 42. IC 33-26-8-1, AS AMENDED BY P.L.1-2007,
6 SECTION 213, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. As used in this chapter,
8 "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment
9 review, or special reassessment contractor of the department of local
10 government finance under IC 6-1.1-4-32 (repealed).

11 SECTION 43. IC 33-26-8-3, AS AMENDED BY P.L.1-2007,
12 SECTION 214, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JANUARY 1, 2013]: Sec. 3. As used in this chapter,
14 "qualifying official" refers to any of the following:

- 15 (1) A county assessor of a qualifying county.
- 16 (2) A township assessor of a qualifying county.
- 17 (3) The county auditor of a qualifying county.
- 18 (4) The treasurer of a qualifying county.
- 19 (5) The county surveyor of a qualifying county.
- 20 (6) A member of the land valuation committee in a qualifying
21 county.
- 22 (7) Any other township or county official in a qualifying county
23 who has possession or control of information necessary or useful
24 for a ~~general~~ reassessment, ~~general~~ reassessment review, or
25 special reassessment of property to which IC 6-1.1-4-32
26 (repealed) applies, including information in the possession or
27 control of an employee or a contractor of the official.
- 28 (8) Any county official in a qualifying county who has control,
29 review, or other responsibilities related to paying claims of a
30 contractor submitted for payment under IC 6-1.1-4-32 (repealed).

31 SECTION 44. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,
32 SECTION 691, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JANUARY 1, 2013]: Sec. 13. The county fiscal body
34 may grant to the county assessor, in addition to the compensation fixed
35 under IC 36-2-5, a per diem for each day that the assessor is engaged
36 in ~~general~~ reassessment activities **under IC 6-1.1-4-4 or under a**
37 **reassessment plan prepared under IC 6-1.1-4-4.2.** This section
38 applies regardless of whether professional assessing services are
39 provided under a contract to one (1) or more townships in the county.

40 SECTION 45. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,
41 SECTION 717, IS AMENDED TO READ AS FOLLOWS
42 [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) When performing the

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1 real property reassessment duties ~~prescribed by IC 6-1.1-4~~, under
 2 **IC 6-1.1-4-4 or a county's reassessment plan prepared under**
 3 **IC 6-1.1-4-4.2**, a township assessor may receive per diem
 4 compensation, in addition to salary, at a rate fixed by the county fiscal
 5 body, for each day that the assessor is engaged in reassessment
 6 activities.

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

9 SECTION 46. IC 36-7-14-39, AS AMENDED BY P.L.203-2011,
 10 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2013]: Sec. 39. (a) As used in this section:

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

16 "Base assessed value" means the following:

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

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

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

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

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

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

41 (3) If:

42 (A) an allocation provision adopted before June 30, 1995, in

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1 a declaratory resolution or an amendment to a declaratory
 2 resolution establishing a redevelopment project area expires
 3 after June 30, 1997; and

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

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

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

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

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

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

36 (b) A declaratory resolution adopted under section 15 of this chapter
 37 on or before the allocation deadline determined under subsection (i)
 38 may include a provision with respect to the allocation and distribution
 39 of property taxes for the purposes and in the manner provided in this
 40 section. A declaratory resolution previously adopted may include an
 41 allocation provision by the amendment of that declaratory resolution on
 42 or before the allocation deadline determined under subsection (i) in

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1 accordance with the procedures required for its original adoption. A
 2 declaratory resolution or an amendment that establishes an allocation
 3 provision after June 30, 1995, must specify an expiration date for the
 4 allocation provision. For an allocation area established before July 1,
 5 2008, the expiration date may not be more than thirty (30) years after
 6 the date on which the allocation provision is established. For an
 7 allocation area established after June 30, 2008, the expiration date may
 8 not be more than twenty-five (25) years after the date on which the first
 9 obligation was incurred to pay principal and interest on bonds or lease
 10 rentals on leases payable from tax increment revenues. However, with
 11 respect to bonds or other obligations that were issued before July 1,
 12 2008, if any of the bonds or other obligations that were scheduled when
 13 issued to mature before the specified expiration date and that are
 14 payable only from allocated tax proceeds with respect to the allocation
 15 area remain outstanding as of the expiration date, the allocation
 16 provision does not expire until all of the bonds or other obligations are
 17 no longer outstanding. The allocation provision may apply to all or part
 18 of the redevelopment project area. The allocation provision must
 19 require that any property taxes subsequently levied by or for the benefit
 20 of any public body entitled to a distribution of property taxes on taxable
 21 property in the allocation area be allocated and distributed as follows:
 22 (1) Except as otherwise provided in this section, the proceeds of
 23 the taxes attributable to the lesser of:
 24 (A) the assessed value of the property for the assessment date
 25 with respect to which the allocation and distribution is made;
 26 or
 27 (B) the base assessed value;
 28 shall be allocated to and, when collected, paid into the funds of
 29 the respective taxing units.
 30 (2) The excess of the proceeds of the property taxes imposed for
 31 the assessment date with respect to which the allocation and
 32 distribution is made that are attributable to taxes imposed after
 33 being approved by the voters in a referendum or local public
 34 question conducted after April 30, 2010, not otherwise included
 35 in subdivision (1) shall be allocated to and, when collected, paid
 36 into the funds of the taxing unit for which the referendum or local
 37 public question was conducted.
 38 (3) Except as otherwise provided in this section, property tax
 39 proceeds in excess of those described in subdivisions (1) and (2)
 40 shall be allocated to the redevelopment district and, when
 41 collected, paid into an allocation fund for that allocation area that
 42 may be used by the redevelopment district only to do one (1) or

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more of the following:

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

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

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

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

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

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

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

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

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

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

STEP TWO: Divide:

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

6 (ii) the STEP ONE sum.

7 STEP THREE: Multiply:

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

13 If not all the taxpayers in an allocation area receive the credit
 14 in full, each taxpayer in the allocation area is entitled to
 15 receive the same proportion of the credit. A taxpayer may not
 16 receive a credit under this section and a credit under section
 17 39.5 of this chapter (before its repeal) in the same year.

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

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

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

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

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

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- 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.

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (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

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

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

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

11 (2) the base assessed value.

12 (d) Property tax proceeds allocable to the redevelopment district
 13 under subsection (b)(3) may, subject to subsection (b)(4), be
 14 irrevocably pledged by the redevelopment district for payment as set
 15 forth in subsection (b)(3).

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

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

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

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone
 29 created under IC 5-28-15, the unit that designated the allocation area
 30 shall create funds as specified in this subsection. A unit that has
 31 obligations, bonds, or leases payable from allocated tax proceeds under
 32 subsection (b)(3) shall establish an allocation fund for the purposes
 33 specified in subsection (b)(3) and a special zone fund. Such a unit
 34 shall, until the end of the enterprise zone phase out period, deposit each
 35 year in the special zone fund any amount in the allocation fund derived
 36 from property tax proceeds in excess of those described in subsection
 37 (b)(1) and (b)(2) from property located in the enterprise zone that
 38 exceeds the amount sufficient for the purposes specified in subsection
 39 (b)(3) for the year. The amount sufficient for purposes specified in
 40 subsection (b)(3) for the year shall be determined based on the pro rata
 41 portion of such current property tax proceeds from the part of the
 42 enterprise zone that is within the allocation area as compared to all

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

18 (h) The state board of accounts and department of local government
 19 finance shall make the rules and prescribe the forms and procedures
 20 that they consider expedient for the implementation of this chapter.
 21 After each general reassessment **of real property in an area under**
 22 **IC 6-1.1-4-4 and after each reassessment in an area under a**
 23 **county's reassessment plan prepared** under ~~IC 6-1.1-4-~~
 24 **IC 6-1.1-4-4.2**, the department of local government finance shall adjust
 25 the base assessed value one (1) time to neutralize any effect of the
 26 ~~general reassessment~~ **assessment of the real property in the area** on
 27 the property tax proceeds allocated to the redevelopment district under
 28 this section. After each annual adjustment under IC 6-1.1-4-4.5, the
 29 department of local government finance shall adjust the base assessed
 30 value one (1) time to neutralize any effect of the annual adjustment on
 31 the property tax proceeds allocated to the redevelopment district under
 32 this section. However, the adjustments under this subsection may not
 33 include the effect of property tax abatements under IC 6-1.1-12.1, and
 34 these adjustments may not produce less property tax proceeds allocable
 35 to the redevelopment district under subsection (b)(3) than would
 36 otherwise have been received if the general reassessment, **the**
 37 **reassessment under the reassessment plan**, or the annual adjustment
 38 had not occurred. The department of local government finance may
 39 prescribe procedures for county and township officials to follow to
 40 assist the department in making the adjustments.

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



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- 1 (1) The initial allocation deadline is December 31, 2011.
- 2 (2) Subject to subdivision (3), the initial allocation deadline and
- 3 subsequent allocation deadlines are automatically extended in
- 4 increments of five (5) years, so that allocation deadlines
- 5 subsequent to the initial allocation deadline fall on December 31,
- 6 2016, and December 31 of each fifth year thereafter.
- 7 (3) At least one (1) year before the date of an allocation deadline
- 8 determined under subdivision (2), the general assembly may enact
- 9 a law that:
- 10 (A) terminates the automatic extension of allocation deadlines
- 11 under subdivision (2); and
- 12 (B) specifically designates a particular date as the final
- 13 allocation deadline.

14 SECTION 47. IC 36-7-15.1-26, AS AMENDED BY P.L.203-2011,
 15 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JANUARY 1, 2013]: Sec. 26. (a) As used in this section:

17 "Allocation area" means that part of a redevelopment project area
 18 to which an allocation provision of a resolution adopted under section
 19 8 of this chapter refers for purposes of distribution and allocation of
 20 property taxes.

21 "Base assessed value" means the following:

- 22 (1) If an allocation provision is adopted after June 30, 1995, in a
- 23 declaratory resolution or an amendment to a declaratory
- 24 resolution establishing an economic development area:
- 25 (A) the net assessed value of all the property as finally
- 26 determined for the assessment date immediately preceding the
- 27 effective date of the allocation provision of the declaratory
- 28 resolution, as adjusted under subsection (h); plus
- 29 (B) to the extent that it is not included in clause (A), the net
- 30 assessed value of property that is assessed as residential
- 31 property under the rules of the department of local government
- 32 finance, as finally determined for any assessment date after the
- 33 effective date of the allocation provision.
- 34 (2) If an allocation provision is adopted after June 30, 1997, in a
- 35 declaratory resolution or an amendment to a declaratory
- 36 resolution establishing a redevelopment project area:
- 37 (A) the net assessed value of all the property as finally
- 38 determined for the assessment date immediately preceding the
- 39 effective date of the allocation provision of the declaratory
- 40 resolution, as adjusted under subsection (h); plus
- 41 (B) to the extent that it is not included in clause (A), the net
- 42 assessed value of property that is assessed as residential

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

4 (3) If:

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

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

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

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

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

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

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

41 (b) A resolution adopted under section 8 of this chapter on or before
 42 the allocation deadline determined under subsection (i) may include a

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

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

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

32 (B) the base assessed value;

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

35 (2) The excess of the proceeds of the property taxes imposed for
 36 the assessment date with respect to which the allocation and
 37 distribution is made that are attributable to taxes imposed after
 38 being approved by the voters in a referendum or local public
 39 question conducted after April 30, 2010, not otherwise included
 40 in subdivision (1) shall be allocated to and, when collected, paid
 41 into the funds of the taxing unit for which the referendum or local
 42 public question was conducted.

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

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

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

14 (C) Pay the principal of and interest on bonds payable from
15 allocated tax proceeds in that allocation area and from the
16 special tax levied under section 19 of this chapter.

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

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

24 (F) Make payments on leases payable from allocated tax
25 proceeds in that allocation area under section 17.1 of this
26 chapter.

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

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

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

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

42 However, the total amount of money spent for this purpose in

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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.

(4) 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 (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).
- (B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

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

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1 shall, until the end of the enterprise zone phase out period, deposit each
 2 year in the special zone fund the amount in the allocation fund derived
 3 from property tax proceeds in excess of those described in subsection
 4 (b)(1) and (b)(2) from property located in the enterprise zone that
 5 exceeds the amount sufficient for the purposes specified in subsection
 6 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 7 payable from allocated tax proceeds under subsection (b)(3) shall
 8 establish a special zone fund and deposit all the property tax proceeds
 9 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 10 derived from property tax proceeds in excess of those described in
 11 subsection (b)(1) and (b)(2) from property located in the enterprise
 12 zone. The unit that creates the special zone fund shall use the fund,
 13 based on the recommendations of the urban enterprise association, for
 14 one (1) or more of the following purposes:

15 (1) To pay for programs in job training, job enrichment, and basic
 16 skill development designed to benefit residents and employers in
 17 the enterprise zone. The programs must reserve at least one-half
 18 (1/2) of the enrollment in any session for residents of the
 19 enterprise zone.

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

24 (A) Businesses operating in the enterprise zone.

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

27 (3) To provide funds to carry out other purposes specified in
 28 subsection (b)(3). However, where reference is made in
 29 subsection (b)(3) to the allocation area, the reference refers for
 30 purposes of payments from the special zone fund only to that part
 31 of the allocation area that is also located in the enterprise zone.

32 (h) The state board of accounts and department of local government
 33 finance shall make the rules and prescribe the forms and procedures
 34 that they consider expedient for the implementation of this chapter.
 35 After each general reassessment **of real property in an area and after**
 36 **each reassessment under a county's reassessment plan prepared**
 37 **under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2**, the department of local government
 38 finance shall adjust the base assessed value one (1) time to neutralize
 39 any effect of the ~~general~~ reassessment **of the real property in the area**
 40 on the property tax proceeds allocated to the redevelopment district
 41 under this section. After each annual adjustment under IC 6-1.1-4-4.5,
 42 the department of local government finance shall adjust the base

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

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

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

27 SECTION 48. IC 36-7-15.1-53, AS AMENDED BY P.L.203-2011,
 28 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2013]: Sec. 53. (a) As used in this section:

30 "Allocation area" means that part of a redevelopment project area
 31 to which an allocation provision of a resolution adopted under section
 32 40 of this chapter refers for purposes of distribution and allocation of
 33 property taxes.

34 "Base assessed value" means:
 35 (1) the net assessed value of all the property as finally determined
 36 for the assessment date immediately preceding the effective date
 37 of the allocation provision of the declaratory resolution, as
 38 adjusted under subsection (h); plus
 39 (2) to the extent that it is not included in subdivision (1), the net
 40 assessed value of property that is assessed as residential property
 41 under the rules of the department of local government finance, as
 42 finally determined for any assessment date after the effective date

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1 of the allocation provision.
 2 Except as provided in section 55 of this chapter, "property taxes"
 3 means taxes imposed under IC 6-1.1 on real property.
 4 (b) A resolution adopted under section 40 of this chapter on or
 5 before the allocation deadline determined under subsection (i) may
 6 include a provision with respect to the allocation and distribution of
 7 property taxes for the purposes and in the manner provided in this
 8 section. A resolution previously adopted may include an allocation
 9 provision by the amendment of that resolution on or before the
 10 allocation deadline determined under subsection (i) in accordance with
 11 the procedures required for its original adoption. A declaratory
 12 resolution or an amendment that establishes an allocation provision
 13 must be approved by resolution of the legislative body of the excluded
 14 city and must specify an expiration date for the allocation provision.
 15 For an allocation area established before July 1, 2008, the expiration
 16 date may not be more than thirty (30) years after the date on which the
 17 allocation provision is established. For an allocation area established
 18 after June 30, 2008, the expiration date may not be more than
 19 twenty-five (25) years after the date on which the first obligation was
 20 incurred to pay principal and interest on bonds or lease rentals on
 21 leases payable from tax increment revenues. However, with respect to
 22 bonds or other obligations that were issued before July 1, 2008, if any
 23 of the bonds or other obligations that were scheduled when issued to
 24 mature before the specified expiration date and that are payable only
 25 from allocated tax proceeds with respect to the allocation area remain
 26 outstanding as of the expiration date, the allocation provision does not
 27 expire until all of the bonds or other obligations are no longer
 28 outstanding. The allocation provision may apply to all or part of the
 29 redevelopment project area. The allocation provision must require that
 30 any property taxes subsequently levied by or for the benefit of any
 31 public body entitled to a distribution of property taxes on taxable
 32 property in the allocation area be allocated and distributed as follows:
 33 (1) Except as otherwise provided in this section, the proceeds of
 34 the taxes attributable to the lesser of:
 35 (A) the assessed value of the property for the assessment date
 36 with respect to which the allocation and distribution is made;
 37 or
 38 (B) the base assessed value;
 39 shall be allocated to and, when collected, paid into the funds of
 40 the respective taxing units.
 41 (2) The excess of the proceeds of the property taxes imposed for
 42 the assessment date with respect to which the allocation and

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distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

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

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

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

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 50 of this chapter.

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

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

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 46 of this chapter.

(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.

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

(I) Reimburse public and private entities for expenses incurred

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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.

(4) 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 (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

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

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

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

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- 1 would endanger the interests of the holders of bonds described
 2 in subdivision (3).
- 3 (c) For the purpose of allocating taxes levied by or for any taxing
 4 unit or units, the assessed value of taxable property in a territory in the
 5 allocation area that is annexed by any taxing unit after the effective
 6 date of the allocation provision of the resolution is the lesser of:
 7 (1) the assessed value of the property for the assessment date with
 8 respect to which the allocation and distribution is made; or
 9 (2) the base assessed value.
- 10 (d) Property tax proceeds allocable to the redevelopment district
 11 under subsection (b)(3) may, subject to subsection (b)(4), be
 12 irrevocably pledged by the redevelopment district for payment as set
 13 forth in subsection (b)(3).
- 14 (e) Notwithstanding any other law, each assessor shall, upon
 15 petition of the commission, reassess the taxable property situated upon
 16 or in, or added to, the allocation area, effective on the next assessment
 17 date after the petition.
- 18 (f) Notwithstanding any other law, the assessed value of all taxable
 19 property in the allocation area, for purposes of tax limitation, property
 20 tax replacement, and formulation of the budget, tax rate, and tax levy
 21 for each political subdivision in which the property is located, is the
 22 lesser of:
 23 (1) the assessed value of the property as valued without regard to
 24 this section; or
 25 (2) the base assessed value.
- 26 (g) If any part of the allocation area is located in an enterprise zone
 27 created under IC 5-28-15, the unit that designated the allocation area
 28 shall create funds as specified in this subsection. A unit that has
 29 obligations, bonds, or leases payable from allocated tax proceeds under
 30 subsection (b)(3) shall establish an allocation fund for the purposes
 31 specified in subsection (b)(3) and a special zone fund. Such a unit
 32 shall, until the end of the enterprise zone phase out period, deposit each
 33 year in the special zone fund the amount in the allocation fund derived
 34 from property tax proceeds in excess of those described in subsection
 35 (b)(1) and (b)(2) from property located in the enterprise zone that
 36 exceeds the amount sufficient for the purposes specified in subsection
 37 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 38 payable from allocated tax proceeds under subsection (b)(3) shall
 39 establish a special zone fund and deposit all the property tax proceeds
 40 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 41 derived from property tax proceeds in excess of those described in
 42 subsection (b)(1) and (b)(2) from property located in the enterprise

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

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

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

13 (A) Businesses operating in the enterprise zone.

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

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

21 (h) The state board of accounts and department of local government
 22 finance shall make the rules and prescribe the forms and procedures
 23 that they consider expedient for the implementation of this chapter.
 24 After each general reassessment of **real property in an area under**
 25 **IC 6-1.1-4-4 or reassessment under a county's reassessment plan**
 26 **prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-2**, 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 redevelopment district under this section. After each annual adjustment
 31 under IC 6-1.1-4-4.5, the department of local government finance shall
 32 adjust the base assessed value to neutralize any effect of the annual
 33 adjustment on the property tax proceeds allocated to the redevelopment
 34 district under this section. However, the adjustments under this
 35 subsection may not include the effect of property tax abatements under
 36 IC 6-1.1-12.1, and these adjustments may not produce less property tax
 37 proceeds allocable to the redevelopment district under subsection
 38 (b)(3) than would otherwise have been received if the general
 39 reassessment, **reassessment under the county's reassessment plan**,
 40 or annual adjustment had not occurred. The department of local
 41 government finance may prescribe procedures for county and township
 42 officials to follow to assist the department in making the adjustments.

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

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

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

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

12 (A) terminates the automatic extension of allocation deadlines
13 under subdivision (2); and

14 (B) specifically designates a particular date as the final
15 allocation deadline.

16 SECTION 49. IC 36-7-30-25, AS AMENDED BY P.L.203-2011,
17 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JANUARY 1, 2013]: Sec. 25. (a) The following definitions apply
19 throughout this section:

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

24 (2) "Base assessed value" means:

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

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

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

39 Clause (C) applies only to allocation areas established in a
40 military reuse area after June 30, 1997, and to the part of an
41 allocation area that was established before June 30, 1997, and that
42 is added to an existing allocation area after June 30, 1997.

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- 1 (3) "Property taxes" means taxes imposed under IC 6-1.1 on real
 2 property.
 3 (b) A declaratory resolution adopted under section 10 of this chapter
 4 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 5 resolutions adopted under IC 36-7-14-15 may include a provision with
 6 respect to the allocation and distribution of property taxes for the
 7 purposes and in the manner provided in this section. A declaratory
 8 resolution previously adopted may include an allocation provision by
 9 the amendment of that declaratory resolution in accordance with the
 10 procedures set forth in section 13 of this chapter. The allocation
 11 provision may apply to all or part of the military base reuse area. The
 12 allocation provision must require that any property taxes subsequently
 13 levied by or for the benefit of any public body entitled to a distribution
 14 of property taxes on taxable property in the allocation area be allocated
 15 and distributed as follows:
 16 (1) Except as otherwise provided in this section, the proceeds of
 17 the taxes attributable to the lesser of:
 18 (A) the assessed value of the property for the assessment date
 19 with respect to which the allocation and distribution is made;
 20 or
 21 (B) the base assessed value;
 22 shall be allocated to and, when collected, paid into the funds of
 23 the respective taxing units.
 24 (2) The excess of the proceeds of the property taxes imposed for
 25 the assessment date with respect to which the allocation and
 26 distribution are made that are attributable to taxes imposed after
 27 being approved by the voters in a referendum or local public
 28 question conducted after April 30, 2010, not otherwise included
 29 in subdivision (1) shall be allocated to and, when collected, paid
 30 into the funds of the taxing unit for which the referendum or local
 31 public question was conducted.
 32 (3) Except as otherwise provided in this section, property tax
 33 proceeds in excess of those described in subdivisions (1) and (2)
 34 shall be allocated to the military base reuse district and, when
 35 collected, paid into an allocation fund for that allocation area that
 36 may be used by the military base reuse district and only to do one
 37 (1) or more of the following:
 38 (A) Pay the principal of and interest and redemption premium
 39 on any obligations incurred by the military base reuse district
 40 or any other entity for the purpose of financing or refinancing
 41 military base reuse activities in or directly serving or
 42 benefiting that allocation area.

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

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

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

14 The county auditor shall allocate to the respective taxing units
 15 the amount, if any, of excess property tax proceeds determined
 16 by the reuse authority. The reuse authority may not authorize
 17 a payment to the respective taxing units under this subdivision
 18 if to do so would endanger the interest of the holders of bonds
 19 described in subdivision (3) or lessors under section 19 of this
 20 chapter.

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

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

28 (d) Property tax proceeds allocable to the military base reuse district
 29 under subsection (b)(3) may, subject to subsection (b)(4), be
 30 irrevocably pledged by the military base reuse district for payment as
 31 set forth in subsection (b)(3).

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

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

- 41 (1) the assessed value of the property as valued without regard to
 42 this section; or

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1 (2) the base assessed value.

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

33 (h) After each general reassessment of real property in an area
34 under IC 6-1.1-4-4 or reassessment under the county's
35 reassessment plan under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2, the department
36 of local government finance shall adjust the base assessed value one (1)
37 time to neutralize any effect of the ~~general~~ reassessment of the real
38 property in the area on the property tax proceeds allocated to the
39 military base reuse district under this section. After each annual
40 adjustment under IC 6-1.1-4-4.5, the department of local government
41 finance shall adjust the base assessed value to neutralize any effect of
42 the annual adjustment on the property tax proceeds allocated to the

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

11 SECTION 50. IC 36-7-30.5-30, AS AMENDED BY P.L.42-2011,
 12 SECTION 80, AND AS AMENDED BY P.L.203-2011, SECTION 20,
 13 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) The following
 15 definitions apply throughout this section:

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

20 (2) "Base assessed value" means:

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

25 (B) to the extent that it is not included in clause (A) or (C), the
 26 net assessed value of any and all parcels or classes of parcels
 27 identified as part of the base assessed value in the declaratory
 28 resolution or an amendment to the declaratory resolution, as
 29 finally determined for any subsequent assessment date; plus
 30 (C) to the extent that it is not included in clause (A) or (B), the
 31 net assessed value of property that is assessed as residential
 32 property under the rules of the department of local government
 33 finance, as finally determined for any assessment date after the
 34 effective date of the allocation provision.

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

37 (b) A declaratory resolution adopted under section 16 of this chapter
 38 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
 39 resolutions adopted under IC 36-7-14-15 may include a provision with
 40 respect to the allocation and distribution of property taxes for the
 41 purposes and in the manner provided in this section. A declaratory
 42 resolution previously adopted may include an allocation provision by

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1 the amendment of that declaratory resolution in accordance with the
 2 procedures set forth in section 18 of this chapter. The allocation
 3 provision may apply to all or part of the military base development
 4 area. The allocation provision must require that any property taxes
 5 subsequently levied by or for the benefit of any public body entitled to
 6 a distribution of property taxes on taxable property in the allocation
 7 area be allocated and distributed as follows:

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

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

13 (B) the base assessed value;

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

16 *(2) The excess of the proceeds of the property taxes imposed for*
 17 *the assessment date with respect to which the allocation and*
 18 *distribution is made that are attributable to taxes imposed after*
 19 *being approved by the voters in a referendum or local public*
 20 *question conducted after April 30, 2010, not otherwise included*
 21 *in subdivision (1) shall be allocated to and, when collected, paid*
 22 *into the funds of the taxing unit for which the referendum or local*
 23 *public question was conducted.*

24 ~~(2)~~ (3) Except as otherwise provided in this section, property tax
 25 proceeds in excess of those described in ~~subdivision~~ subdivisions
 26 (1) and (2) shall be allocated to the development authority and,
 27 when collected, paid into an allocation fund for that allocation
 28 area that may be used by the development authority and only to do
 29 one (1) or more of the following:

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

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

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

41 (D) Reimburse any other governmental body for expenditures
 42 made for local public improvements (or structures) in or

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

9 STEP ONE: Determine that part of the sum of the amounts
 10 under IC 6-1.1-21-2(g)(1)(A), ~~(repealed)~~, IC 6-1.1-21-2(g)(2),
 11 ~~(repealed)~~, IC 6-1.1-21-2(g)(3), ~~(repealed)~~,
 12 IC 6-1.1-21-2(g)(4), ~~(repealed)~~, and IC 6-1.1-21-2(g)(5)
 13 ~~(repealed)~~ *(before their repeal)* that is attributable to the
 14 taxing district.

15 STEP TWO: Divide:

16 (i) that part of each county's eligible property tax
 17 replacement amount (as defined in IC 6-1.1-21-2 ~~(repealed)~~
 18 *(before its repeal)*) for that year as determined under
 19 IC 6-1.1-21-4 ~~(repealed)~~ *(before its repeal)* that is
 20 attributable to the taxing district; by

21 (ii) the STEP ONE sum.

22 STEP THREE: Multiply:

23 (i) the STEP TWO quotient; by

24 (ii) the total amount of the taxpayer's taxes (as defined in
 25 IC 6-1.1-21-2 ~~(repealed)~~ *(before its repeal)*) levied in the
 26 taxing district that have been allocated during that year to an
 27 allocation fund under this section.

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

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

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

40 (i) in the allocation area; and

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

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1 government finance.

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

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

11 ~~(3)~~ (4) Except as provided in subsection (g), before July 15 of
12 each year the development authority shall do the following:

13 (A) Determine the amount, if any, by which property taxes
14 payable to the allocation fund in the following year will exceed
15 the amount of property taxes necessary to make, when due,
16 principal and interest payments on bonds described in
17 subdivision ~~(2)~~ (3) plus the amount necessary for other
18 purposes described in ~~subdivision~~ subdivisions (2) and (3).

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

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

28 (ii) state that the development authority has determined that
29 there is no excess assessed value that may be allocated to the
30 respective taxing units in the manner prescribed in
31 subdivision (1).

32 The county auditors shall allocate to the respective taxing units
33 the amount, if any, of excess assessed value determined by the
34 development authority. The development authority may not
35 authorize a payment to the respective taxing units under this
36 subdivision if to do so would endanger the interest of the
37 holders of bonds described in subdivision ~~(2)~~ (3) or lessors
38 under section 24 of this chapter. Property taxes received by a
39 taxing unit under this subdivision before 2009 are eligible for
40 the property tax replacement credit provided under IC 6-1.1-21
41 ~~(repealed)~~ (before its repeal).

42 (c) For the purpose of allocating taxes levied by or for any taxing

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1 unit or units, the assessed value of taxable property in a territory in the
 2 allocation area that is annexed by a taxing unit after the effective date
 3 of the allocation provision of the declaratory resolution is the lesser of:

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

7 (d) Property tax proceeds allocable to the military base development
 8 district under subsection ~~(b)(2)~~ (b)(3) may, subject to subsection ~~(b)(3)~~;
 9 (b)(4), be irrevocably pledged by the military base development district
 10 for payment as set forth in subsection ~~(b)(2)~~: (b)(3).

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

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

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

23 (g) If any part of the allocation area is located in an enterprise zone
 24 created under IC 5-28-15, the development authority shall create funds
 25 as specified in this subsection. A development authority that has
 26 obligations, bonds, or leases payable from allocated tax proceeds under
 27 subsection ~~(b)(2)~~ (b)(3) shall establish an allocation fund for the
 28 purposes specified in subsection ~~(b)(2)~~ (b)(3) and a special zone fund.
 29 The development authority shall, until the end of the enterprise zone
 30 phase out period, deposit each year in the special zone fund any amount
 31 in the allocation fund derived from property tax proceeds in excess of
 32 those described in subsection (b)(1) and (b)(2) from property located
 33 in the enterprise zone that exceeds the amount sufficient for the
 34 purposes specified in subsection ~~(b)(2)~~ (b)(3) for the year. The amount
 35 sufficient for purposes specified in subsection ~~(b)(2)~~ (b)(3) for the year
 36 shall be determined based on the pro rata part of such current property
 37 tax proceeds from the part of the enterprise zone that is within the
 38 allocation area as compared to all such current property tax proceeds
 39 derived from the allocation area. A development authority that does not
 40 have obligations, bonds, or leases payable from allocated tax proceeds
 41 under subsection ~~(b)(2)~~ (b)(3) shall establish a special zone fund and
 42 deposit all the property tax proceeds in excess of those described in

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1 subsection (b)(1) *and* (b)(2) that are derived from property in the
 2 enterprise zone in the fund. The development authority that creates the
 3 special zone fund shall use the fund (based on the recommendations of
 4 the urban enterprise association) for programs in job training, job
 5 enrichment, and basic skill development that are designed to benefit
 6 residents and employers in the enterprise zone or for other purposes
 7 specified in subsection ~~(b)(2)~~; (b)(3), except that where reference is
 8 made in subsection ~~(b)(2)~~ (b)(3) to an allocation area it shall refer for
 9 purposes of payments from the special zone fund only to that part of the
 10 allocation area that is also located in the enterprise zone. The programs
 11 shall reserve at least one-half (1/2) of their enrollment in any session
 12 for residents of the enterprise zone.

13 (h) After each general reassessment of real property in an area
 14 under IC 6-1.1-4-4 or reassessment under a county's reassessment
 15 plan prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2, the department of
 16 local government finance shall adjust the base assessed value one (1)
 17 time to neutralize any effect of the ~~general~~ reassessment of the real
 18 property in the area on the property tax proceeds allocated to the
 19 military base development district under this section. After each annual
 20 adjustment under IC 6-1.1-4-4.5, the department of local government
 21 finance shall adjust the base assessed value to neutralize any effect of
 22 the annual adjustment on the property tax proceeds allocated to the
 23 military base development district under this section. However, the
 24 adjustments under this subsection may not include the effect of
 25 property tax abatements under IC 6-1.1-12.1, and these adjustments
 26 may not produce less property tax proceeds allocable to the military
 27 base development district under subsection ~~(b)(2)~~ (b)(3) than would
 28 otherwise have been received if the general reassessment,
 29 **reassessment under the county's reassessment plan**, or annual
 30 adjustment had not occurred. The department of local government
 31 finance may prescribe procedures for county and township officials to
 32 follow to assist the department in making the adjustments.

33 SECTION 51. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,
 34 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JANUARY 1, 2013]: Sec. 19. (a) The state board of accounts and
 36 department of local government finance shall make the rules and
 37 prescribe the forms and procedures that the state board of accounts and
 38 department of local government finance consider appropriate for the
 39 implementation of an allocation area under this chapter.

40 (b) After each general reassessment of real property in an area
 41 under IC 6-1.1-4-4 or reassessment under a county's reassessment
 42 plan prepared under ~~IC 6-1.1-4~~, IC 6-1.1-4-4.2, the department of

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

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