



January 11, 2012

## SENATE BILL No. 19

DIGEST OF SB 19 (Updated January 10, 2012 12:26 pm - DI 73)

**Citations Affected:** IC 6-1.1; IC 33-26; IC 36-2; IC 36-6; IC 36-7.

**Synopsis:** Real property reassessment. Requires the county assessor of each county before July 1, 2013, and before July 1 of every fourth year thereafter to prepare and submit to the department of local government finance (DLGF) a reassessment plan for the county. Specifies that the reassessment plan is subject to approval by the DLGF. Requires the DLGF to complete its review and approval of the reassessment plan before March 1 of the year following the year in which the reassessment plan is submitted by the county. Provides that subject to review and approval by the DLGF, the county assessor may modify a reassessment plan. Provides that the reassessment plan must divide all parcels of real property in the county into different groups of parcels. Requires that each group of parcels must contain at least 25% of the parcels within each class of real property in the county. Requires the assessor to submit land values to the county property tax assessment board of appeals by the dates specified in the county's reassessment plan. Requires the reassessment of the first group of parcels under a county's reassessment plan to begin July 1, 2014, and be completed on or before March 1, 2015. Specifies 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. Provides that the notice of assessment that must be sent to taxpayers by assessing officials is in addition to any required notice of assessment included in a property tax statement. Specifies that the assessing official may provide the notice by mail or by using electronic mail that includes a secure Internet link to the information in the notice.

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

**Boots, Hershman, Delph, Holdman,  
Smith J, Broden, Buck**

January 4, 2012, read first time and referred to Committee on Tax and Fiscal Policy.  
January 10, 2012, amended, reported favorably — Do Pass.

SB 19—LS 6121/DI 73+



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January 11, 2012

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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## SENATE BILL No. 19

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; 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.  
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~~

SB 19—LS 6121/DI 73+



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) The county assessor of each county shall,  
 7 before July 1, 2013, and before July 1 of every fourth year  
 8 thereafter, prepare and submit to the department of local  
 9 government finance a reassessment plan for the county. The  
 10 following apply to a reassessment plan prepared and submitted  
 11 under this section:

12 (1) The reassessment plan is subject to approval by the  
 13 department of local government finance. The department of  
 14 local government finance shall complete its review and  
 15 approval of the reassessment plan before March 1 of the year  
 16 following the year in which the reassessment plan is submitted  
 17 by the county.

18 (2) The department of local government finance shall  
 19 determine the classes of real property to be used for purposes  
 20 of this section.

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

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

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

31 (6) The reassessment of parcels:

32 (A) must include a physical inspection of each parcel of  
 33 real property in the group of parcels that is being  
 34 reassessed; and

35 (B) shall be completed on or before March 1 of the year  
 36 after the year in which the reassessment of the group of  
 37 parcels begins.

38 (7) For real property included in a group of parcels that is  
 39 reassessed, the reassessment is the basis for taxes payable in  
 40 the year following the year in which the reassessment is to be  
 41 completed.

42 (8) The reassessment plan must specify the dates by which the

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1           assessor must submit land values under section 13.6 of this  
2           chapter to the county property tax assessment board of  
3           appeals.

4           **(9) Subject to review and approval by the department of local**  
5           **government finance, the county assessor may modify the**  
6           **reassessment plan.**

7           **(b) A county may submit a reassessment plan that provides for**  
8           **reassessing more than twenty-five percent (25%) of all parcels of**  
9           **real property in the county in a particular year. A plan may**  
10          **provide that all parcels are to be reassessed in one (1) year.**  
11          **However, a plan must cover a four (4) year period. All real**  
12          **property in each group of parcels shall be reassessed under the**  
13          **county's reassessment plan once during each reassessment cycle.**

14          **(c) The reassessment of the first group of parcels under a**  
15          **county's reassessment plan shall begin on July 1, 2014, and shall be**  
16          **completed on or before March 1, 2015.**

17          SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.112-2010,  
18          SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19          JANUARY 1, 2013]: Sec. 4.5. (a) The department of local government  
20          finance shall adopt rules establishing a system for annually adjusting  
21          the assessed value of real property to account for changes in value in  
22          those years since a ~~general~~ reassessment **of under section 4 or 4.2 of**  
23          **this chapter for the** property last took effect.

24          (b) Subject to subsection (e), the system must be applied to adjust  
25          assessed values beginning with the 2006 assessment date and each year  
26          thereafter that is not a year in which a reassessment **under section 4 or**  
27          **4.2 of this chapter for the property** becomes effective.

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

30                  (1) Promote uniform and equal assessment of real property within  
31                  and across classifications.

32                  (2) Require that assessing officials:

33                          (A) reevaluate the factors that affect value;

34                          (B) express the interactions of those factors mathematically;

35                          (C) use mass appraisal techniques to estimate updated property  
36                          values within statistical measures of accuracy; and

37                          (D) provide notice to taxpayers of an assessment increase that  
38                          results from the application of annual adjustments.

39                  (3) Prescribe procedures that permit the application of the  
40                  adjustment percentages in an efficient manner by assessing  
41                  officials.

42                  (d) The department of local government finance must review and

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1 certify each annual adjustment determined under this section.

2 (e) In making the annual determination of the base rate to satisfy the  
3 requirement for an annual adjustment under subsection (c) for current  
4 property taxes first due and payable in 2011 and thereafter, the  
5 department of local government finance shall determine the base rate  
6 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of  
7 the department of local government finance's Real Property Assessment  
8 Guidelines (as in effect on January 1, 2005), except that the department  
9 shall adjust the methodology to:

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

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

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

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

- 32 (1) fifteen percent (15%) for a township which does not contain  
33 an incorporated city or town;  
34 (2) five percent (5%) for a township containing all or part of an  
35 incorporated city or town which has a population of five thousand  
36 (5,000) or less;  
37 (3) four percent (4%) for a township containing all or part of an  
38 incorporated city which has a population of more than five  
39 thousand (5,000) but not exceeding ten thousand (10,000);  
40 (4) three percent (3%) for a township containing all or part of an  
41 incorporated city which has a population of more than ten  
42 thousand (10,000) but not exceeding fifty thousand (50,000);



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1 (5) two percent (2%) for a township containing all or part of an  
 2 incorporated city which has a population of more than fifty  
 3 thousand (50,000) but not exceeding one hundred fifty thousand  
 4 (150,000); or

5 (6) one percent (1%) for a township containing all or part of an  
 6 incorporated city which has a population of more than one  
 7 hundred fifty thousand (150,000).

8 The signatures on the petition must be verified by the oath of one (1)  
 9 or more of the signers. A certificate of the county auditor stating that  
 10 the signers constitute the required number of resident owners of taxable  
 11 real property of the township must accompany the petition.

12 (c) Upon receipt of a petition under subsection (a), the department  
 13 of local government finance may order a reassessment under section 9  
 14 of this chapter or conduct a reassessment under section 31.5 of this  
 15 chapter.

16 SECTION 5. IC 6-1.1-4-5.5 IS ADDED TO THE INDIANA CODE  
 17 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE  
 18 JANUARY 1, 2013]: **Sec. 5.5. (a) A petition for the reassessment of**  
 19 **a real property group designated under a county's reassessment**  
 20 **plan prepared under section 4.2 of this chapter may be filed with**  
 21 **the department of local government finance not later than**  
 22 **forty-five (45) days after notice of assessment. A petition for**  
 23 **reassessment of real property applies only to the most recent real**  
 24 **property assessment date.**

25 (b) **The petition for reassessment must be signed by the lesser of**  
 26 **one hundred (100) owners of parcels in the group or five percent**  
 27 **(5%) of owners of parcels in the group. The signatures on the**  
 28 **petition must be verified by the oath of one (1) or more of the**  
 29 **signers. A certificate of the county auditor stating that the signers**  
 30 **constitute the required number of owners of taxable real property**  
 31 **in the group of parcels must accompany the petition.**

32 (c) **Upon receipt of a petition under subsection (a), the**  
 33 **department of local government finance may order a reassessment**  
 34 **under section 9 of this chapter or conduct a reassessment under**  
 35 **section 31.5 of this chapter.**

36 SECTION 6. IC 6-1.1-4-6 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. If the  
 38 department of local government finance determines that a petition filed  
 39 under section 5 or 5.5 of this chapter has been signed by the required  
 40 number of petitioners and that the present assessed value of any real  
 41 property is inequitable, the department of local government finance  
 42 shall order a reassessment of the real property ~~which has been~~

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1 ~~inequitably assessed. for which the petition was filed.~~ The order shall  
 2 specify the time within which the reassessment shall be completed and  
 3 the date on which the reassessment shall become effective.

4 SECTION 7. IC 6-1.1-4-9 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 9. In order to  
 6 maintain a just and equitable valuation of real property, the department  
 7 of local government finance may adopt a resolution declaring its belief  
 8 that it is necessary to reassess all or a portion of the real property  
 9 located within this state. If the department of local government finance  
 10 adopts a reassessment resolution and if either a township or a larger  
 11 area is involved **(for assessments before March 1, 2015) or one (1)**  
 12 **or more groups of parcels under the county's reassessment plan**  
 13 **are involved (for assessments after February 28, 2015),** the  
 14 department shall hold a hearing concerning the necessity for the  
 15 reassessment at the courthouse of the county in which the property is  
 16 located. The department of local government finance shall give notice  
 17 of the time and place of the hearing in the manner provided in section  
 18 10 of this chapter. After the hearing, or if the area involved is less than  
 19 a township **(for assessments before March 1, 2015) or is less than**  
 20 **one (1) group of parcels under the county's reassessment plan (for**  
 21 **assessments after February 28, 2015),** after the adoption of the  
 22 resolution of the department of local government finance, the  
 23 department may order any reassessment it deems necessary. The order  
 24 shall specify the time within which the reassessment must be  
 25 completed and the date the reassessment will become effective.

26 SECTION 8. IC 6-1.1-4-12.4, AS AMENDED BY P.L.146-2008,  
 27 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2013]: Sec. 12.4. (a) For purposes of this section, the  
 29 term "oil or gas interest" includes but is not limited to:

- 30 (1) royalties;
- 31 (2) overriding royalties;
- 32 (3) mineral rights; or
- 33 (4) working interest;

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

36 (b) Oil or gas interest is subject to assessment and taxation as real  
 37 property. Notwithstanding section 4 **or 4.2** of this chapter, each oil or  
 38 gas interest shall be assessed annually by the assessor of the township  
 39 in which the oil or gas is located, or the county assessor if there is no  
 40 township assessor for the township. The township or county assessor  
 41 shall assess the oil or gas interest to the person who owns or operates  
 42 the interest.



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1 (c) A piece of equipment is an appurtenance to land if it is incident  
 2 to and necessary for the production of oil and gas from the land  
 3 covered by the oil or gas interest. This equipment includes but is not  
 4 limited to wells, pumping units, lines, treaters, separators, tanks, and  
 5 secondary recovery facilities. These appurtenances are subject to  
 6 assessment as real property. Notwithstanding section 4 or 4.2 of this  
 7 chapter, each of these appurtenances shall be assessed annually by the  
 8 assessor of the township in which the appurtenance is located, or the  
 9 county assessor if there is no township assessor for the township. The  
 10 township or county assessor shall assess the appurtenance to the person  
 11 who owns or operates the working interest in the oil or gas interest.

12 SECTION 9. IC 6-1.1-4-13.6, AS AMENDED BY P.L.113-2010,  
 13 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2013]: Sec. 13.6. (a) The county assessor shall determine  
 15 the values of all classes of commercial, industrial, and residential land  
 16 (including farm homesites) in the county using guidelines determined  
 17 by the department of local government finance. ~~Not later than July 1,~~  
 18 ~~2011, and every fourth year thereafter,~~ The assessor determining the  
 19 values of land shall submit the values to the county property tax  
 20 assessment board of appeals **by the dates specified in the county's**  
 21 **reassessment plan under section 4.2 of this chapter.**

22 (b) If the county assessor fails to determine land values under  
 23 subsection (a) before the ~~July 1 deadline,~~ **deadlines in the county's**  
 24 **reassessment plan under section 4.2 of this chapter,** the county  
 25 property tax assessment board of appeals shall determine the values. If  
 26 the county property tax assessment board of appeals fails to determine  
 27 the values before the land values become effective, the department of  
 28 local government finance shall determine the values.

29 (c) The county assessor shall notify all township assessors in the  
 30 county (if any) of the values. Assessing officials shall use the values  
 31 determined under this section.

32 (d) A petition for the review of the land values determined by a  
 33 county assessor under this section may be filed with the department of  
 34 local government finance not later than forty-five (45) days after the  
 35 county assessor makes the determination of the land values. The  
 36 petition must be signed by at least the lesser of:

- 37 (1) one hundred (100) property owners in the county; or
- 38 (2) five percent (5%) of the property owners in the county.

39 (e) Upon receipt of a petition for review under subsection (d), the  
 40 department of local government finance:

- 41 (1) shall review the land values determined by the county
- 42 assessor; and

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1 (2) after a public hearing, shall:

2 (A) approve;

3 (B) modify; or

4 (C) disapprove;

5 the land values.

6 SECTION 10. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008,  
7 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 JANUARY 1, 2013]: Sec. 16. (a) For purposes of making a ~~general~~  
9 reassessment of real property **under section 4 or 4.2 of this chapter**  
10 or annual adjustments under section 4.5 of this chapter, a township  
11 assessor (if any) and a county assessor may employ:

12 (1) deputies;

13 (2) employees; and

14 (3) technical advisors who are:

15 (A) qualified to determine real property values;

16 (B) professional appraisers certified under 50 IAC 15; and

17 (C) employed either on a full-time or a part-time basis, subject  
18 to sections 18.5 and 19.5 of this chapter.

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

22 SECTION 11. IC 6-1.1-4-17, AS AMENDED BY P.L.182-2009(ss),  
23 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JANUARY 1, 2013]: Sec. 17. (a) Subject to the approval of the  
25 department of local government finance and the requirements of  
26 section 18.5 of this chapter, a county assessor may employ professional  
27 appraisers as technical advisors for assessments in all townships in the  
28 county. The department of local government finance may approve  
29 employment under this subsection only if the department is a party to  
30 the employment contract and any addendum to the employment  
31 contract.

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

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

38 SECTION 12. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008,  
39 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
40 JANUARY 1, 2013]: Sec. 20. The department of local government  
41 finance may establish a period, with respect to each ~~general~~  
42 reassessment **under section 4 or 4.2 of this chapter**, that is the only

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1 time during which a county assessor may enter into a contract with a  
2 professional appraiser. The period set by the department of local  
3 government finance may not begin before January 1 of the year the  
4 general reassessment begins. If no period is established by the  
5 department of local government finance, a county assessor may enter  
6 into such a contract only on or after January 1 and before April 16 of  
7 the year in which the general reassessment is to commence.

8 SECTION 13. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008,  
9 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2012]: Sec. 21. (a) If during a period of general reassessment  
11 **under section 4 of this chapter** a county assessor personally makes  
12 the real property appraisals, the appraisals of the parcels subject to  
13 taxation must be completed as follows:

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

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

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

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

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

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

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

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

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

42 However, the reporting requirements prescribed in this subsection do

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1 not apply if the contract under which the professional appraiser, or  
2 appraisal firm, is employed prescribes different reporting procedures.

3 SECTION 14. IC 6-1.1-4-21.4 IS ADDED TO THE INDIANA  
4 CODE AS A NEW SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2012]: **Sec. 21.4. (a) The appraisals of the**  
6 **parcels in a group under a county's reassessment plan prepared**  
7 **under section 4.2 of this chapter that are subject to taxation must**  
8 **be completed as follows:**

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

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

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

19 (b) **If a county assessor employs a professional appraiser or a**  
20 **professional appraisal firm to make real property appraisals of a**  
21 **group of parcels under a county's reassessment plan, the**  
22 **professional appraiser or appraisal firm must file appraisal reports**  
23 **with the county assessor by the dates set forth in subsection (a).**

24 SECTION 15. IC 6-1.1-4-22, AS AMENDED BY P.L.136-2009,  
25 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 2013]: **Sec. 22. (a) If any assessing official assesses or**  
27 **reassesses any real property under this article (including an annual**  
28 **adjustment under section 4.5 of this chapter) the official shall give**  
29 **notice to the taxpayer and the county assessor, by mail or by using**  
30 **electronic mail that includes a secure Internet link to the**  
31 **information in the notice, of the amount of the assessment or**  
32 **reassessment.**

33 (b) ~~During a period of general reassessment,~~ Each township or  
34 county assessor shall ~~mail~~ **provide** the notice required by this section  
35 **within by the earlier of:**

- 36 (1) ninety (90) days after the assessor:  
37 (1) (A) completes the appraisal of a parcel; or  
38 (2) (B) receives a report for a parcel from a professional  
39 appraiser or professional appraisal firm; or  
40 (2) **April 10 of the year containing the assessment date for**  
41 **which the assessment or reassessment first applies.**

42 (c) **The notice required by this section is in addition to any**

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1 **required notice of assessment or reassessment included in a**  
2 **property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.**

3 ~~(e)~~ **(d)** The notice required by this section must include notice to the  
4 person of the opportunity to appeal the assessed valuation under  
5 IC 6-1.1-15-1.

6 ~~(d)~~ **(e)** Notice of the opportunity to appeal the assessed valuation  
7 required under subsection ~~(e)~~ **(d)** must include the following:

8 (1) The procedure that a taxpayer must follow to appeal the  
9 assessment or reassessment.

10 (2) The forms that must be filed for an appeal of the assessment  
11 or reassessment.

12 (3) Notice that an appeal of the assessment or reassessment  
13 requires evidence relevant to the true tax value of the taxpayer's  
14 property as of the assessment date.

15 SECTION 16. IC 6-1.1-4-27.5, AS AMENDED BY P.L.172-2011,  
16 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JANUARY 1, 2013]: Sec. 27.5. (a) The auditor of each county shall  
18 establish a property reassessment fund. The county treasurer shall  
19 deposit all collections resulting from the property taxes that the county  
20 levies for the county's property reassessment fund.

21 ~~(b) With respect to the general reassessment of real property that is~~  
22 ~~to commence on July 1, 2010; the county council of each county shall;~~  
23 ~~for property taxes due in 2006, 2007, 2008, and 2009; levy in each year~~  
24 ~~against all the taxable property in the county an amount equal to~~  
25 ~~one-fourth (1/4) of the remainder of:~~

26 ~~(1) the estimated costs referred to in section 28.5(a) of this~~  
27 ~~chapter; minus~~

28 ~~(2) the amount levied under this section by the county council for~~  
29 ~~property taxes due in 2004 and 2005.~~

30 ~~(e)~~ **(b)** With respect to a ~~general~~ reassessment of real property that  
31 is to commence on July 1, 2015; and each fifth year thereafter; **under**  
32 **a county's reassessment plan under section 4.2 of this chapter,** the  
33 county council of each county shall, for property taxes due ~~in the year~~  
34 ~~that the general reassessment is to commence and the four (4) years~~  
35 ~~preceding that each year,~~ levy against all the taxable property in the  
36 county an amount equal to ~~one-fifth (1/5) of the estimated costs of the~~  
37 ~~general reassessment under section 28.5 of this chapter~~ **for the group**  
38 **of parcels to be reassessed in that year.**

39 ~~(d)~~ **(c)** The department of local government finance shall give to  
40 each county council notice, before January 1 in a year, of the tax levies  
41 required by this section for that year.

42 ~~(e)~~ **(d)** The department of local government finance may raise or

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1 lower the property tax levy under this section for a year if the  
 2 department determines it is appropriate because the estimated cost of:  
 3 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**  
 4 **under a county's reassessment plan prepared under section**  
 5 **4.2 of this chapter;** or  
 6 (2) making annual adjustments under section 4.5 of this chapter;  
 7 has changed.  
 8 ~~(f)~~ **(e)** The county assessor may petition the county fiscal body to  
 9 increase the levy under subsection (b) ~~or (e)~~ to pay for the costs of:  
 10 (1) a ~~general~~ **reassessment of one (1) or more groups of parcels**  
 11 **under a county's reassessment plan prepared under section**  
 12 **4.2 of this chapter;**  
 13 (2) verification under 50 IAC 21-3-2 of sales disclosure forms  
 14 forwarded to the county assessor under IC 6-1.1-5.5-3; or  
 15 (3) processing annual adjustments under section 4.5 of this  
 16 chapter.  
 17 The assessor must document the needs and reasons for the increased  
 18 funding.  
 19 ~~(g)~~ **(f)** If the county fiscal body denies a petition under subsection  
 20 ~~(f)~~, **(e)**, the county assessor may appeal to the department of local  
 21 government finance. The department of local government finance shall:  
 22 (1) hear the appeal; and  
 23 (2) determine whether the additional levy is necessary.  
 24 SECTION 17. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,  
 25 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 JANUARY 1, 2013]: Sec. 28.5. (a) Money assigned to a property  
 27 reassessment fund under section 27.5 of this chapter may be used only  
 28 to pay the costs of:  
 29 (1) the general reassessment of real property **under section 4 of**  
 30 **this chapter or reassessment of one (1) or more groups of**  
 31 **parcels under a county's reassessment plan prepared under**  
 32 **section 4.2 of this chapter**, including the computerization of  
 33 assessment records;  
 34 (2) payments to assessing officials and hearing officers for county  
 35 property tax assessment boards of appeals under IC 6-1.1-35.2;  
 36 (3) the development or updating of detailed soil survey data by  
 37 the United States Department of Agriculture or its successor  
 38 agency;  
 39 (4) the updating of plat books;  
 40 (5) payments for the salary of permanent staff or for the  
 41 contractual services of temporary staff who are necessary to assist  
 42 assessing officials;

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- 1 (6) making annual adjustments under section 4.5 of this chapter;
- 2 and
- 3 (7) the verification under 50 IAC 21-3-2 of sales disclosure forms
- 4 forwarded to:
- 5 (A) the county assessor; or
- 6 (B) township assessors (if any);
- 7 under IC 6-1.1-5.5-3.

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

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

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

17 (d) An appropriation under this section must be approved by the  
 18 fiscal body of the county after the review and recommendation of the  
 19 county assessor. However, in a county with a township assessor in  
 20 every township, the county assessor does not review an appropriation  
 21 under this section, and only the fiscal body must approve an  
 22 appropriation under this section.

23 SECTION 18. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008,  
 24 SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JANUARY 1, 2013]: Sec. 29. (a) The expenses of a reassessment,  
 26 except those incurred by the department of local government finance  
 27 in performing its normal functions, shall be paid by the county in which  
 28 the reassessed property is situated. These expenses, except for the  
 29 expenses of:

- 30 (1) a general reassessment of real property under section 4 of
- 31 this chapter; or
- 32 (2) reassessments of a group of parcels under a county's
- 33 reassessment plan prepared under section 4.2 of this chapter;
- 34 shall be paid from county funds. The county auditor shall issue
- 35 warrants for the payment of reassessment expenses. No prior
- 36 appropriations are required in order for the auditor to issue warrants.

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

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1 SECTION 19. IC 6-1.1-4-30 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) In making  
3 any assessment or reassessment of real property in the interim between  
4 general reassessments **under section 4 of this chapter**, the rules,  
5 regulations, and standards for assessment are the same as those used in  
6 the preceding general reassessment.

7 **(b) In making any assessment or reassessment of real property**  
8 **between reassessments of that real property under a county's**  
9 **reassessment plan prepared under section 4.2 of this chapter, the**  
10 **rules, regulations, and standards for assessment are the same as**  
11 **those used for that real property in the preceding reassessment of**  
12 **that group of parcels under a county's reassessment plan.**

13 SECTION 20. IC 6-1.1-4-31, AS AMENDED BY P.L.113-2010,  
14 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JANUARY 1, 2013]: Sec. 31. (a) The department of local government  
16 finance shall periodically check the conduct of:

- 17 (1) a general reassessment of ~~property~~ **under section 4 of this**  
18 **chapter;**
- 19 **(2) reassessments of a group of parcels under a county's**  
20 **reassessment plan prepared under section 4.2 of this chapter;**
- 21 ~~(2) (3)~~ **(3) work required to be performed by local officials under 50**  
22 **IAC 21; and**
- 23 ~~(3) (4)~~ **(4) other property assessment activities in the county, as**  
24 **determined by the department.**

25 The department of local government finance may inform township  
26 assessors (if any), county assessors, and the presidents of county  
27 councils in writing if its check reveals that the general reassessment,  
28 **the reassessment of a group of parcels under a county's**  
29 **reassessment plan prepared under section 4.2 of this chapter**, or  
30 other property assessment activities are not being properly conducted,  
31 work required to be performed by local officials under 50 IAC 21 is not  
32 being properly conducted, or property assessments are not being  
33 properly made.

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

- 37 (1) the general reassessment **under section 4 of this chapter, a**  
38 **reassessment of a group of parcels under a county's**  
39 **reassessment plan prepared under section 4.2 of this chapter**,  
40 or other property assessment activities are being properly  
41 conducted;
- 42 (2) work required to be performed by local officials under 50

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1 IAC 21 is being properly conducted; or  
 2 (3) property assessments are being properly made.  
 3 (c) If the department of local government finance:  
 4 (1) determines under subsection (a) that a general reassessment  
 5 **under section 4 of this chapter, a reassessment of a group of**  
 6 **parcels under a county's reassessment plan prepared under**  
 7 **section 4.2 of this chapter,** or other assessment activities ~~for a~~  
 8 ~~general reassessment year or any other year~~ are not being properly  
 9 conducted; and  
 10 (2) informs:  
 11 (A) the township assessor (if any) of each affected township;  
 12 (B) the county assessor; and  
 13 (C) the president of the county council;  
 14 in writing under subsection (a);  
 15 the department may order a state conducted assessment or reassessment  
 16 under section 31.5 of this chapter to begin not less than sixty (60) days  
 17 after the date of the notice under subdivision (2).  
 18 (d) If the department of local government finance:  
 19 (1) determines under subsection (a) that work required to be  
 20 performed by local officials under 50 IAC 21 is not being  
 21 properly conducted; and  
 22 (2) informs:  
 23 (A) the township assessor of each affected township (if any);  
 24 (B) the county assessor; and  
 25 (C) the president of the county council;  
 26 in writing under subsection (a);  
 27 the department may conduct the work or contract to have the work  
 28 conducted to begin not less than sixty (60) days after the date of the  
 29 notice under subdivision (2). If the department determines during the  
 30 period between the date of the notice under subdivision (2) and the  
 31 proposed date for beginning the work or having the work conducted  
 32 that work required to be performed by local officials under 50 IAC 21  
 33 is being properly conducted, the department may rescind the order.  
 34 (e) If the department of local government finance contracts to have  
 35 work conducted under subsection (d), the department shall forward the  
 36 bill for the services to the county and the county shall pay the bill under  
 37 the same procedures that apply to county payments of bills for  
 38 assessment or reassessment services under section 31.5 of this chapter.  
 39 (f) A county council president who is informed by the department  
 40 of local government finance under subsection (a) shall provide the  
 41 information to the board of county commissioners. A board of county  
 42 commissioners that receives information under this subsection may

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adopt an ordinance to do either or both of the following:

(1) Determine that:

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

(2) Determine that:

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

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

SECTION 21. IC 6-1.1-4-31.5, AS AMENDED BY P.L.146-2008, SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 31.5. (a) As used in this section, "department" refers to the department of local government finance.

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

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

(d) Before assuming the duties of a county assessor, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county assessor, the

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1 county fiscal body, the county auditor, and the county treasurer. Notice  
 2 of the department's actions must be published one (1) time in a  
 3 newspaper of general circulation published in the county. The  
 4 department is not required to conduct a public hearing before taking  
 5 action under this section.

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

- 9 (1) data;
- 10 (2) records;
- 11 (3) maps;
- 12 (4) parcel record cards;
- 13 (5) forms;
- 14 (6) computer software systems;
- 15 (7) computer hardware systems; and
- 16 (8) other information;

17 related to the assessment or reassessment of real property in the county.  
 18 The information described in this subsection must be provided at no  
 19 cost to the department or the contractor of the department. A failure to  
 20 provide information requested under this subsection constitutes a  
 21 failure to perform a duty related to an assessment or a general  
 22 reassessment **under section 4 of this chapter or under a county's**  
 23 **reassessment plan prepared under section 4.2 of this chapter** and  
 24 is subject to IC 6-1.1-37-2.

25 (f) The department may enter into a contract with a professional  
 26 appraising firm to conduct an assessment or reassessment under this  
 27 section. If a county entered into a contract with a professional  
 28 appraising firm to conduct the county's assessment or reassessment  
 29 before the department orders a state conducted assessment or  
 30 reassessment in the county under this section, the contract:

- 31 (1) is as valid as if it had been entered into by the department; and
- 32 (2) shall be treated as the contract of the department.

33 (g) After receiving the report of assessed values from the appraisal  
 34 firm acting under a contract described in subsection (f), the department  
 35 shall give notice to the taxpayer and the county assessor, by mail, of the  
 36 amount of the assessment or reassessment. The notice of assessment or  
 37 reassessment:

- 38 (1) is subject to appeal by the taxpayer under section 31.7 of this  
 39 chapter; and
- 40 (2) must include a statement of the taxpayer's rights under section  
 41 31.7 of this chapter.

42 (h) The department shall forward a bill for services provided under

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1 a contract described in subsection (f) to the auditor of the county in  
 2 which the state conducted reassessment occurs. The county shall pay  
 3 the bill under the procedures prescribed by subsection (i).  
 4 (i) A county subject to an order issued under this section shall pay  
 5 the cost of a contract described in subsection (f), without appropriation,  
 6 from the county property reassessment fund. A contractor may  
 7 periodically submit bills for partial payment of work performed under  
 8 the contract. Notwithstanding any other law, a contractor is entitled to  
 9 payment under this subsection for work performed under a contract if  
 10 the contractor:  
 11 (1) submits to the department a fully itemized, certified bill in the  
 12 form required by IC 5-11-10-1 for the costs of the work performed  
 13 under the contract;  
 14 (2) obtains from the department:  
 15 (A) approval of the form and amount of the bill; and  
 16 (B) a certification that the billed goods and services have been  
 17 received and comply with the contract; and  
 18 (3) files with the county auditor:  
 19 (A) a duplicate copy of the bill submitted to the department;  
 20 (B) proof of the department's approval of the form and amount  
 21 of the bill; and  
 22 (C) the department's certification that the billed goods and  
 23 services have been received and comply with the contract.  
 24 The department's approval and certification of a bill under subdivision  
 25 (2) shall be treated as conclusively resolving the merits of a contractor's  
 26 claim. Upon receipt of the documentation described in subdivision (3),  
 27 the county auditor shall immediately certify that the bill is true and  
 28 correct without further audit and submit the claim to the county  
 29 executive. The county executive shall allow the claim, in full, as  
 30 approved by the department, without further examination of the merits  
 31 of the claim in a regular or special session that is held not less than  
 32 three (3) days and not more than seven (7) days after the date the claim  
 33 is certified by the county fiscal officer if the procedures in IC 5-11-10-2  
 34 are used to approve the claim or the date the claim is placed on the  
 35 claim docket under IC 36-2-6-4 if the procedures in IC 36-2-6-4 are  
 36 used to approve the claim. Upon allowance of the claim by the county  
 37 executive, the county auditor shall immediately issue a warrant or  
 38 check for the full amount of the claim approved by the department.  
 39 Compliance with this subsection constitutes compliance with  
 40 IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and  
 41 payment of a claim in compliance with this subsection is not subject to  
 42 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply

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1 to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies  
 2 to a fiscal officer who pays a claim in compliance with this subsection.  
 3 (j) Notwithstanding IC 4-13-2, a period of seven (7) days is  
 4 permitted for each of the following to review and act under IC 4-13-2  
 5 on a contract of the department entered into under this section:  
 6 (1) The commissioner of the Indiana department of  
 7 administration.  
 8 (2) The director of the budget agency.  
 9 (3) The attorney general.  
 10 (k) If money in the county's property reassessment fund is  
 11 insufficient to pay for an assessment or reassessment conducted under  
 12 this section, the department may increase the tax rate and tax levy of  
 13 the county's property reassessment fund to pay the cost and expenses  
 14 related to the assessment or reassessment.  
 15 (l) The department or the contractor of the department shall use the  
 16 land values determined under section 13.6 of this chapter for a county  
 17 subject to an order issued under this section to the extent that the  
 18 department or the contractor finds that the land values reflect the true  
 19 tax value of land, as determined under this article and the rules of the  
 20 department. If the department or the contractor finds that the land  
 21 values determined for the county under section 13.6 of this chapter do  
 22 not reflect the true tax value of land, the department or the contractor  
 23 shall determine land values for the county that reflect the true tax value  
 24 of land, as determined under this article and the rules of the  
 25 department. Land values determined under this subsection shall be  
 26 used to the same extent as if the land values had been determined under  
 27 section 13.6 of this chapter. The department or the contractor of the  
 28 department shall notify the county's assessing officials of the land  
 29 values determined under this subsection.  
 30 (m) A contractor of the department may notify the department if:  
 31 (1) a county auditor fails to:  
 32 (A) certify the contractor's bill;  
 33 (B) publish the contractor's claim;  
 34 (C) submit the contractor's claim to the county executive; or  
 35 (D) issue a warrant or check for payment of the contractor's  
 36 bill;  
 37 as required by subsection (i) at the county auditor's first legal  
 38 opportunity to do so;  
 39 (2) a county executive fails to allow the contractor's claim as  
 40 legally required by subsection (i) at the county executive's first  
 41 legal opportunity to do so; or  
 42 (3) a person or an entity authorized to act on behalf of the county

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1 takes or fails to take an action, including failure to request an  
 2 appropriation, and that action or failure to act delays or halts  
 3 progress under this section for payment of the contractor's bill.  
 4 (n) The department, upon receiving notice under subsection (m)  
 5 from a contractor of the department, shall:  
 6 (1) verify the accuracy of the contractor's assertion in the notice  
 7 that:  
 8 (A) a failure occurred as described in subsection (m)(1) or  
 9 (m)(2); or  
 10 (B) a person or an entity acted or failed to act as described in  
 11 subsection (m)(3); and  
 12 (2) provide to the treasurer of state the department's approval  
 13 under subsection (i)(2)(A) of the contractor's bill with respect to  
 14 which the contractor gave notice under subsection (m).  
 15 (o) Upon receipt of the department's approval of a contractor's bill  
 16 under subsection (n), the treasurer of state shall pay the contractor the  
 17 amount of the bill approved by the department from money in the  
 18 possession of the state that would otherwise be available for  
 19 distribution to the county, including distributions of admissions taxes  
 20 or wagering taxes.  
 21 (p) The treasurer of state shall withhold from the money that would  
 22 be distributed under IC 4-33-12-6, IC 4-33-13-5, or any other law to a  
 23 county described in a notice provided under subsection (m) the amount  
 24 of a payment made by the treasurer of state to the contractor of the  
 25 department under subsection (o). Money shall be withheld from any  
 26 source payable to the county.  
 27 (q) Compliance with subsections (m) through (p) constitutes  
 28 compliance with IC 5-11-10.  
 29 (r) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to  
 30 the payment made in compliance with subsections (m) through (p).  
 31 This subsection and subsections (m) through (p) must be interpreted  
 32 liberally so that the state shall, to the extent legally valid, ensure that  
 33 the contractual obligations of a county subject to this section are paid.  
 34 Nothing in this section shall be construed to create a debt of the state.  
 35 (s) The provisions of this section are severable as provided in  
 36 IC 1-1-1-8(b).  
 37 SECTION 22. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006,  
 38 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JANUARY 1, 2013]: Sec. 8. (a) For purposes of: ~~the~~  
 40 (1) a general reassessment under IC 6-1.1-4-4;  
 41 (2) a reassessment of a group of parcels under a county's  
 42 reassessment plan prepared under IC 6-1.1-4-4.2; or

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1 (3) a new assessment;  
2 the department of local government finance shall assess each industrial  
3 facility in a qualifying county.

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

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

9 SECTION 23. IC 6-1.1-8.7-3, AS AMENDED BY P.L.113-2010,  
10 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JANUARY 1, 2013]: Sec. 3. (a) ~~Before January 1 of each year that a~~  
12 ~~general reassessment commences under IC 6-1.1-4-4~~; Two hundred  
13 fifty (250) or more owners of real property in a township may petition  
14 the department to assess the real property of an industrial facility in the  
15 township. ~~for that general reassessment.~~

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

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

23 SECTION 24. IC 6-1.1-12-19 IS AMENDED TO READ AS  
24 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 19. The deduction  
25 from assessed value provided by section 18 of this chapter is first  
26 available in the year in which the increase in assessed value resulting  
27 from the rehabilitation occurs and shall continue for the following four  
28 (4) years. In the sixth (6th) year, the county auditor shall add the  
29 amount of the deduction to the assessed value of the real property. A:

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

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

35 SECTION 25. IC 6-1.1-12-23 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 23. The deduction  
37 from assessed value provided by section 22 of this chapter is first  
38 available after the first assessment date following the rehabilitation and  
39 shall continue for the taxes first due and payable in the following five  
40 (5) years. In the sixth (6th) year, the county auditor shall add the  
41 amount of the deduction to the assessed value of the property. Any:

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

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

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

5           SECTION 26. IC 6-1.1-12.1-4, AS AMENDED BY P.L.173-2011,  
 6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JANUARY 1, 2013]: Sec. 4. (a) Except as provided in section 2(i)(4)  
 8 of this chapter, and subject to section 15 of this chapter, the amount of  
 9 the deduction which the property owner is entitled to receive under  
 10 section 3 of this chapter for a particular year equals the product of:

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

13           (2) either of the following:

14           (A) The percentage prescribed in the table set forth in  
 15 subsection (d).

16           (B) The percentage prescribed by section 17 of this chapter if  
 17 the designating body elects to use the method set forth in  
 18 section 17 of this chapter.

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

22           (1) If:

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

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

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

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

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

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

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1 are entitled to a deduction for the first through the tenth years, as  
 2 provided in subsection (d)(10).

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

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

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|    |                                                           |            |
|----|-----------------------------------------------------------|------------|
| 1  | 4th                                                       | 57%        |
| 2  | 5th                                                       | 43%        |
| 3  | 6th                                                       | 29%        |
| 4  | 7th                                                       | 14%        |
| 5  | (8) For deductions allowed over an eight (8) year period: |            |
| 6  | YEAR OF DEDUCTION                                         | PERCENTAGE |
| 7  | 1st                                                       | 100%       |
| 8  | 2nd                                                       | 88%        |
| 9  | 3rd                                                       | 75%        |
| 10 | 4th                                                       | 63%        |
| 11 | 5th                                                       | 50%        |
| 12 | 6th                                                       | 38%        |
| 13 | 7th                                                       | 25%        |
| 14 | 8th                                                       | 13%        |
| 15 | (9) For deductions allowed over a nine (9) year period:   |            |
| 16 | YEAR OF DEDUCTION                                         | PERCENTAGE |
| 17 | 1st                                                       | 100%       |
| 18 | 2nd                                                       | 88%        |
| 19 | 3rd                                                       | 77%        |
| 20 | 4th                                                       | 66%        |
| 21 | 5th                                                       | 55%        |
| 22 | 6th                                                       | 44%        |
| 23 | 7th                                                       | 33%        |
| 24 | 8th                                                       | 22%        |
| 25 | 9th                                                       | 11%        |
| 26 | (10) For deductions allowed over a ten (10) year period:  |            |
| 27 | YEAR OF DEDUCTION                                         | PERCENTAGE |
| 28 | 1st                                                       | 100%       |
| 29 | 2nd                                                       | 95%        |
| 30 | 3rd                                                       | 80%        |
| 31 | 4th                                                       | 65%        |
| 32 | 5th                                                       | 50%        |
| 33 | 6th                                                       | 40%        |
| 34 | 7th                                                       | 30%        |
| 35 | 8th                                                       | 20%        |
| 36 | 9th                                                       | 10%        |
| 37 | 10th                                                      | 5%         |

SECTION 27. IC 6-1.1-12.1-4.8, AS AMENDED BY P.L.219-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.



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1 (b) If the designating body requires information from the property  
2 owner for the designating body's use in deciding whether to designate  
3 an economic revitalization area, the property owner must provide the  
4 completed statement of benefits form to the designating body before  
5 the hearing required by section 2.5(c) of this chapter. Otherwise, the  
6 property owner must submit the completed statement of benefits form  
7 to the designating body before the occupation of the eligible vacant  
8 building for which the property owner desires to claim a deduction.

9 (c) The department of local government finance shall prescribe a  
10 form for the statement of benefits. The statement of benefits must  
11 include the following information:

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

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

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

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

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

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

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

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

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- 1 (3) Whether any other benefits about which information was
- 2 requested are benefits that can be reasonably expected to result
- 3 from the proposed occupation of the eligible vacant building.
- 4 (4) Whether the occupation of the eligible vacant building will
- 5 increase the tax base and assist in the rehabilitation of the
- 6 economic revitalization area.
- 7 (5) Whether the totality of benefits is sufficient to justify the
- 8 deduction.

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

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

- 18 (1) for the first year in which the property owner or a tenant of the
- 19 property owner occupies the eligible vacant building and uses it
- 20 for commercial or industrial purposes; and
- 21 (2) for subsequent years determined under subsection (g).

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

- 27 (1) as part of the resolution adopted under section 2.5 of this
- 28 chapter; or
- 29 (2) by a resolution adopted not more than sixty (60) days after the
- 30 designating body receives a copy of the property owner's
- 31 deduction application from the county auditor.

32 A certified copy of a resolution under subdivision (2) shall be sent to  
 33 the county auditor, who shall make the deduction as provided in section  
 34 5.3 of this chapter. A determination concerning the number of years the  
 35 deduction is allowed that is made under subdivision (1) is final and  
 36 may not be changed by using the procedure under subdivision (2).

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

- 41 (1) the assessed value of the building or part of the building that
- 42 is occupied by the property owner or a tenant of the property

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1 owner; multiplied by  
 2 (2) the percentage set forth in the table in subsection (i).  
 3 (i) The percentage to be used in calculating the deduction under  
 4 subsection (h) is as follows:  
 5 (1) For deductions allowed over a one (1) year period:  
 6 YEAR OF DEDUCTION PERCENTAGE  
 7 1st 100%  
 8 (2) For deductions allowed over a two (2) year period:  
 9 YEAR OF DEDUCTION PERCENTAGE  
 10 1st 100%  
 11 2nd 50%  
 12 (j) The amount of the deduction determined under subsection (h)  
 13 shall be adjusted in accordance with this subsection in the following  
 14 circumstances:  
 15 (1) If:  
 16 (A) a general reassessment of real property **under**  
 17 **IC 6-1.1-4-4; or**  
 18 **(B) a reassessment under a county's reassessment plan**  
 19 **prepared under IC 6-1.1-4-4.2;**  
 20 occurs within the period of the deduction, the amount of the  
 21 assessed value determined under subsection (h)(1) shall be  
 22 adjusted to reflect the percentage increase or decrease in assessed  
 23 valuation that resulted from the ~~general~~ reassessment.  
 24 (2) If an appeal of an assessment is approved and results in a  
 25 reduction of the assessed value of the property, the amount of a  
 26 deduction under this section shall be adjusted to reflect the  
 27 percentage decrease that resulted from the appeal.  
 28 (k) The maximum amount of a deduction under this section may not  
 29 exceed the lesser of:  
 30 (1) the annual amount for which the eligible vacant building was  
 31 offered for lease or rent by the owner or a previous owner during  
 32 the period the eligible vacant building was unoccupied; or  
 33 (2) an amount, as determined by the designating body in its  
 34 discretion, that is equal to the annual amount for which similar  
 35 buildings in the county or contiguous counties were leased or  
 36 rented or offered for lease or rent during the period the eligible  
 37 vacant building was unoccupied.  
 38 (l) The department of local government finance may adopt rules  
 39 under IC 4-22-2 to implement this section.  
 40 SECTION 28. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,  
 41 SECTION 130, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) For purposes of this

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1 section, an increase in the assessed value of real property is determined  
2 in the same manner that an increase in the assessed value of real  
3 property is determined for purposes of IC 6-1.1-12.1.

4 (b) This subsection applies only to a development, redevelopment,  
5 or rehabilitation that is first assessed after March 1, 2005, and before  
6 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,  
7 and 8 of this chapter, an owner of real property that:

- 8 (1) develops, redevelops, or rehabilitates the real property; and
- 9 (2) creates or retains employment from the development,  
10 redevelopment, or rehabilitation;

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

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

- 18 (1) two million dollars (\$2,000,000); or
- 19 (2) the product of:
  - 20 (A) the increase in assessed value resulting from the
  - 21 development, rehabilitation, or redevelopment; multiplied by
  - 22 (B) the percentage from the following table:

| 23 YEAR OF DEDUCTION | PERCENTAGE |
|----------------------|------------|
| 24 1st               | 75%        |
| 25 2nd               | 50%        |
| 26 3rd               | 25%        |

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

- 33 (1) inform the county auditor of the real property eligible for the  
34 deduction as contained in the notice filed by the taxpayer under  
35 this subsection; and
- 36 (2) inform the county auditor of the deduction amount.

37 (e) The county auditor shall:

- 38 (1) make the deductions; and
- 39 (2) notify the county property tax assessment board of appeals of  
40 all deductions approved;

41 under this section.

42 (f) The amount of the deduction determined under subsection (c)(2)

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1 is adjusted to reflect the percentage increase or decrease in assessed  
 2 valuation that results from:

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

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

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

13 SECTION 29. IC 6-1.1-13-6 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. **(a)** A county  
 15 assessor shall inquire into the assessment of the classes of tangible  
 16 property in the various townships of the county after March 1 in the  
 17 year in which ~~the a~~ general reassessment **under IC 6-1.1-4-4** becomes  
 18 effective. The county assessor shall make any changes, whether  
 19 increases or decreases, in the assessed values which are necessary in  
 20 order to equalize these values in and between the various townships of  
 21 the county. In addition, the county assessor shall determine the percent  
 22 to be added to or deducted from the assessed values in order to make  
 23 a just, equitable, and uniform equalization of assessments in and  
 24 between the townships of the county.

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

36 SECTION 30. IC 6-1.1-13-7 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 7. If a county  
 38 assessor proposes to change assessments under section 6 of this  
 39 chapter, the property tax assessment board of appeals shall hold a  
 40 hearing on the proposed changes before July 15 in the year in which a  
 41 ~~general assessment~~ **the reassessment** is to commence. It is sufficient  
 42 notice of the hearing and of any changes in assessments ordered by the

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1 board subsequent to the hearing if the board gives notice by publication  
2 once either in:

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

5 (2) one (1) newspaper only, if two (2) newspapers which  
6 represent different political parties are not published in the  
7 county.

8 SECTION 31. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007,  
9 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JANUARY 1, 2013]: Sec. 4. (a) After receiving a petition for review  
11 which is filed under section 3 of this chapter, the Indiana board shall  
12 conduct a hearing at its earliest opportunity. The Indiana board may  
13 correct any errors that may have been made and adjust the assessment  
14 or exemption in accordance with the correction.

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

31 (c) If a petition for review does not comply with the Indiana board's  
32 instructions for completing the form prescribed under section 3 of this  
33 chapter, the Indiana board shall return the petition to the petitioner and  
34 include a notice describing the defect in the petition. The petitioner  
35 then has thirty (30) days from the date on the notice to cure the defect  
36 and file a corrected petition. The Indiana board shall deny a corrected  
37 petition for review if it does not substantially comply with the Indiana  
38 board's instructions for completing the form prescribed under section  
39 3 of this chapter.

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

42 (1) notice, by mail, of its final determination; and

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- 1 (2) for parties entitled to appeal the final determination, notice of  
 2 the procedures they must follow in order to obtain court review  
 3 under section 5 of this chapter.
- 4 (e) Except as provided in subsection (f), the Indiana board shall  
 5 conduct a hearing not later than nine (9) months after a petition in  
 6 proper form is filed with the Indiana board, excluding any time due to  
 7 a delay reasonably caused by the petitioner.
- 8 (f) With respect to an appeal of a real property assessment that takes  
 9 effect on the assessment date on which a ~~general~~ reassessment of real  
 10 property takes effect under IC 6-1.1-4-4 or **IC 6-1.1-4-4.2**, the Indiana  
 11 board shall conduct a hearing not later than one (1) year after a petition  
 12 in proper form is filed with the Indiana board, excluding any time due  
 13 to a delay reasonably caused by the petitioner.
- 14 (g) Except as provided in subsection (h), the Indiana board shall  
 15 make a determination not later than the later of:  
 16 (1) ninety (90) days after the hearing; or  
 17 (2) the date set in an extension order issued by the Indiana board.
- 18 (h) With respect to an appeal of a real property assessment that  
 19 takes effect on the assessment date on which a ~~general~~ reassessment of  
 20 real property takes effect under IC 6-1.1-4-4 or **IC 6-1.1-4-4.2**, the  
 21 Indiana board shall make a determination not later than the later of:  
 22 (1) one hundred eighty (180) days after the hearing; or  
 23 (2) the date set in an extension order issued by the Indiana board.
- 24 (i) The Indiana board may not extend the final determination date  
 25 under subsection (g) or (h) by more than one hundred eighty (180)  
 26 days. If the Indiana board fails to make a final determination within the  
 27 time allowed by this section, the entity that initiated the petition may:  
 28 (1) take no action and wait for the Indiana board to make a final  
 29 determination; or  
 30 (2) petition for judicial review under section 5 of this chapter.
- 31 (j) A final determination must include separately stated findings of  
 32 fact for all aspects of the determination. Findings of ultimate fact must  
 33 be accompanied by a concise statement of the underlying basic facts of  
 34 record to support the findings. Findings must be based exclusively  
 35 upon the evidence on the record in the proceeding and on matters  
 36 officially noticed in the proceeding. Findings must be based upon a  
 37 preponderance of the evidence.
- 38 (k) The Indiana board may limit the scope of the appeal to the issues  
 39 raised in the petition and the evaluation of the evidence presented to  
 40 the county board in support of those issues only if all parties  
 41 participating in the hearing required under subsection (a) agree to the  
 42 limitation. A party participating in the hearing required under

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1 subsection (a) is entitled to introduce evidence that is otherwise proper  
2 and admissible without regard to whether that evidence has previously  
3 been introduced at a hearing before the county board.

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

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

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

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

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

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

25 (2) specify a limited precedential value of a final determination  
26 under this subsection.

27 SECTION 32. IC 6-1.1-17-1, AS AMENDED BY P.L.1-2010,  
28 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JANUARY 1, 2013]: Sec. 1. (a) On or before August 1 of each year,  
30 the county auditor shall send a certified statement, under the seal of the  
31 board of county commissioners, to the fiscal officer of each political  
32 subdivision of the county and the department of local government  
33 finance. The statement shall contain:

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

36 (2) an estimate of the taxes to be distributed to the political  
37 subdivision during the last six (6) months of the current calendar  
38 year;

39 (3) the current assessed valuation as shown on the abstract of  
40 charges;

41 (4) the average growth in assessed valuation in the political  
42 subdivision over the preceding three (3) budget years, ~~excluding~~

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1 years in which a general reassessment occurs, determined  
 2 **adjusted** according to procedures established by the department  
 3 of local government finance **to account for reassessment under**  
 4 **IC 6-1.1-4-4 or IC 6-1.1-4-4.2;**

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

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

10 (7) any other information at the disposal of the county auditor that  
 11 might affect the assessed value used in the budget adoption  
 12 process.

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

14 (1) the abstract of taxes levied and collectible for the current  
 15 calendar year, less any taxes previously distributed for the  
 16 calendar year; and

17 (2) any other information at the disposal of the county auditor  
 18 which might affect the estimate.

19 (c) The fiscal officer of each political subdivision shall present the  
 20 county auditor's statement to the proper officers of the political  
 21 subdivision.

22 (d) Subject to subsection (e), after the county auditor sends a  
 23 certified statement under subsection (a) or an amended certified  
 24 statement under this subsection with respect to a political subdivision  
 25 and before the department of local government finance certifies its  
 26 action with respect to the political subdivision under section 16(f) of  
 27 this chapter, the county auditor may amend the information concerning  
 28 assessed valuation included in the earlier certified statement. The  
 29 county auditor shall send a certified statement amended under this  
 30 subsection, under the seal of the board of county commissioners, to:

31 (1) the fiscal officer of each political subdivision affected by the  
 32 amendment; and

33 (2) the department of local government finance.

34 (e) Except as provided in subsection (f), before the county auditor  
 35 makes an amendment under subsection (d), the county auditor must  
 36 provide an opportunity for public comment on the proposed  
 37 amendment at a public hearing. The county auditor must give notice of  
 38 the hearing under IC 5-3-1. If the county auditor makes the amendment  
 39 as a result of information provided to the county auditor by an assessor,  
 40 the county auditor shall give notice of the public hearing to the  
 41 assessor.

42 (f) The county auditor is not required to hold a public hearing under

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1 subsection (e) if:  
 2 (1) the amendment under subsection (d) is proposed to correct a  
 3 mathematical error made in the determination of the amount of  
 4 assessed valuation included in the earlier certified statement;  
 5 (2) the amendment under subsection (d) is proposed to add to the  
 6 amount of assessed valuation included in the earlier certified  
 7 statement assessed valuation of omitted property discovered after  
 8 the county auditor sent the earlier certified statement; or  
 9 (3) the county auditor determines that the amendment under  
 10 subsection (d) will not result in an increase in the tax rate or tax  
 11 rates of the political subdivision.  
 12 SECTION 33. IC 6-1.1-18-12, AS AMENDED BY P.L.172-2011,  
 13 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2013]: Sec. 12. (a) For purposes of this section,  
 15 "maximum rate" refers to the maximum:  
 16 (1) property tax rate or rates; or  
 17 (2) special benefits tax rate or rates;  
 18 referred to in the statutes listed in subsection (d).  
 19 (b) The maximum rate for taxes first due and payable after 2003 is  
 20 the maximum rate that would have been determined under subsection  
 21 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 22 for taxes first due and payable in 2003.  
 23 (c) The maximum rate must be adjusted each year to account for the  
 24 change in assessed value of real property that results from:  
 25 (1) an annual adjustment of the assessed value of real property  
 26 under IC 6-1.1-4-4.5; or  
 27 (2) a general reassessment of real property under IC 6-1.1-4-4; or  
 28 (3) **a reassessment under a county's reassessment plan**  
 29 **prepared under IC 6-1.1-4-4.2.**  
 30 (d) The statutes to which subsection (a) refers are:  
 31 (1) IC 8-10-5-17;  
 32 (2) IC 8-22-3-11;  
 33 (3) IC 8-22-3-25;  
 34 (4) IC 12-29-1-1;  
 35 (5) IC 12-29-1-2;  
 36 (6) IC 12-29-1-3;  
 37 (7) IC 12-29-3-6;  
 38 (8) IC 13-21-3-12;  
 39 (9) IC 13-21-3-15;  
 40 (10) IC 14-27-6-30;  
 41 (11) IC 14-33-7-3;  
 42 (12) IC 14-33-21-5;

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- 1 (13) IC 15-14-7-4;
- 2 (14) IC 15-14-9-1;
- 3 (15) IC 15-14-9-2;
- 4 (16) IC 16-20-2-18;
- 5 (17) IC 16-20-4-27;
- 6 (18) IC 16-20-7-2;
- 7 (19) IC 16-22-14;
- 8 (20) IC 16-23-1-29;
- 9 (21) IC 16-23-3-6;
- 10 (22) IC 16-23-4-2;
- 11 (23) IC 16-23-5-6;
- 12 (24) IC 16-23-7-2;
- 13 (25) IC 16-23-8-2;
- 14 (26) IC 16-23-9-2;
- 15 (27) IC 16-41-15-5;
- 16 (28) IC 16-41-33-4;
- 17 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 18 (30) IC 20-46-6-5;
- 19 (31) IC 20-49-2-10;
- 20 (32) IC 36-1-19-1;
- 21 (33) IC 23-14-66-2;
- 22 (34) IC 23-14-67-3;
- 23 (35) IC 36-7-13-4;
- 24 (36) IC 36-7-14-28;
- 25 (37) IC 36-7-15.1-16;
- 26 (38) IC 36-8-19-8.5;
- 27 (39) IC 36-9-6.1-2;
- 28 (40) IC 36-9-17.5-4;
- 29 (41) IC 36-9-27-73;
- 30 (42) IC 36-9-29-31;
- 31 (43) IC 36-9-29.1-15;
- 32 (44) IC 36-10-6-2;
- 33 (45) IC 36-10-7-7;
- 34 (46) IC 36-10-7-8;
- 35 (47) IC 36-10-7.5-19;
- 36 (48) IC 36-10-13-5;
- 37 (49) IC 36-10-13-7;
- 38 (50) IC 36-10-14-4;
- 39 (51) IC 36-12-7-7;
- 40 (52) IC 36-12-7-8;
- 41 (53) IC 36-12-12-10; and
- 42 (54) any statute enacted after December 31, 2003, that:

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- 1 (A) establishes a maximum rate for any part of the:
- 2 (i) property taxes; or
- 3 (ii) special benefits taxes;
- 4 imposed by a political subdivision; and
- 5 (B) does not exempt the maximum rate from the adjustment
- 6 under this section.
- 7 (e) The new maximum rate under a statute listed in subsection (d)
- 8 is the tax rate determined under STEP SEVEN of the following STEPS:
- 9 STEP ONE: Determine the maximum rate for the political
- 10 subdivision levying a property tax or special benefits tax under
- 11 the statute for the year preceding the year in which the annual
- 12 adjustment or ~~general the~~ reassessment **under IC 6-1.1-4-4 or**
- 13 **IC 6-1.1-4-4.2** takes effect.
- 14 STEP TWO: Except as provided in subsection (g), determine the
- 15 actual percentage change (rounded to the nearest one-hundredth
- 16 percent (0.01%)) in the assessed value (before the adjustment, if
- 17 any, under IC 6-1.1-4-4.5) of the taxable property from the year
- 18 preceding the year the annual adjustment or ~~general the~~
- 19 reassessment **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect
- 20 to the year that the annual adjustment or ~~general the~~ reassessment
- 21 **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect.
- 22 STEP THREE: Determine the three (3) calendar years that
- 23 immediately precede the ensuing calendar year and in which a
- 24 statewide general reassessment of real property **under**
- 25 **IC 6-1.1-4-4** does not first take effect.
- 26 STEP FOUR: Except as provided in subsection (g), compute
- 27 separately, for each of the calendar years determined in STEP
- 28 THREE, the actual percentage change (rounded to the nearest
- 29 one-hundredth percent (0.01%)) in the assessed value (before the
- 30 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property
- 31 from the preceding year.
- 32 STEP FIVE: Divide the sum of the three (3) quotients computed
- 33 in STEP FOUR by three (3).
- 34 STEP SIX: Determine the greater of the following:
- 35 (A) Zero (0).
- 36 (B) The result of the STEP TWO percentage minus the STEP
- 37 FIVE percentage.
- 38 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
- 39 divided by the sum of one (1) plus the STEP SIX percentage
- 40 increase.
- 41 (f) The department of local government finance shall compute the
- 42 maximum rate allowed under subsection (e) and provide the rate to

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1 each political subdivision with authority to levy a tax under a statute  
2 listed in subsection (d).

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

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

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

12 SECTION 34. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,  
13 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JANUARY 1, 2013]: Sec. 13. (a) The maximum property tax rate  
15 levied under IC 20-46-6 by each school corporation for the school  
16 corporation's capital projects fund must be adjusted each year to  
17 account for the change in assessed value of real property that results  
18 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 (b) The new maximum rate under this section is the tax rate  
25 determined under STEP SEVEN of the following formula:

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

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

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

41 STEP FOUR: Compute separately, for each of the calendar years  
42 determined in STEP THREE, the actual percentage increase

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1 (rounded to the nearest one-hundredth percent (0.01%)) in the  
2 assessed value (before the adjustment, if any, under  
3 IC 6-1.1-4-4.5) of the taxable property from the preceding year.  
4 STEP FIVE: Divide the sum of the three (3) quotients computed  
5 in STEP FOUR by three (3).

6 STEP SIX: Determine the greater of the following:

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

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

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

16 SECTION 35. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.172-2011,  
17 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JANUARY 1, 2013]: Sec. 9.8. (a) For purposes of determining the  
19 property tax levy limit imposed on a city, town, or county under section  
20 3 of this chapter, the city, town, or county's ad valorem property tax  
21 levy for a particular calendar year does not include an amount equal to  
22 the lesser of:

23 (1) the amount of ad valorem property taxes that would be first  
24 due and payable to the city, town, or county during the ensuing  
25 calendar year if the taxing unit imposed the maximum permissible  
26 property tax rate per one hundred dollars (\$100) of assessed  
27 valuation that the civil taxing unit may impose for the particular  
28 calendar year under the authority of IC 36-9-14.5 (in the case of  
29 a county) or IC 36-9-15.5 (in the case of a city or town); or

30 (2) the excess, if any, of:

31 (A) the property taxes imposed by the city, town, or county  
32 under the authority of:

- 33 IC 3-11-6-9;
- 34 IC 8-16-3;
- 35 IC 8-16-3.1;
- 36 IC 8-22-3-25;
- 37 IC 14-27-6-48;
- 38 IC 14-33-9-3;
- 39 IC 16-22-8-41;
- 40 IC 16-22-5-2 through IC 16-22-5-15;
- 41 IC 16-23-1-40;
- 42 IC 36-8-14;

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1 IC 36-9-4-48;  
 2 IC 36-9-14;  
 3 IC 36-9-14.5;  
 4 IC 36-9-15;  
 5 IC 36-9-15.5;  
 6 IC 36-9-16;  
 7 IC 36-9-16.5;  
 8 IC 36-9-17;  
 9 IC 36-9-26;  
 10 IC 36-9-27-100;  
 11 IC 36-10-3-21; or  
 12 IC 36-10-4-36;  
 13 that are first due and payable during the ensuing calendar year;  
 14 over  
 15 (B) the property taxes imposed by the city, town, or county  
 16 under the authority of the citations listed in clause (A) that  
 17 were first due and payable during calendar year 1984.  
 18 (b) The maximum property tax rate levied under the statutes listed  
 19 in subsection (a) must be adjusted each year to account for the change  
 20 in assessed value of real property that results from:  
 21 (1) an annual adjustment of the assessed value of real property  
 22 under IC 6-1.1-4-4.5; or  
 23 (2) a general reassessment of real property under IC 6-1.1-4-4; or  
 24 (3) a reassessment under a county's reassessment plan  
 25 prepared under IC 6-1.1-4-4.2.  
 26 (c) The new maximum rate under a statute listed in subsection (a)  
 27 is the tax rate determined under STEP SEVEN of the following  
 28 formula:  
 29 STEP ONE: Determine the maximum rate for the political  
 30 subdivision levying a property tax under the statute for the year  
 31 preceding the year in which the annual adjustment or ~~general the~~  
 32 reassessment **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect.  
 33 STEP TWO: Subject to subsection (e), determine the actual  
 34 percentage change (rounded to the nearest one-hundredth percent  
 35 (0.01%)) in the assessed value (before the adjustment, if any,  
 36 under IC 6-1.1-4-4.5) of the taxable property from the year  
 37 preceding the year the annual adjustment or ~~general the~~  
 38 reassessment **under IC 6-1.1-4-4 or IC 6-1.1-4-4.2** takes effect  
 39 to the year that the annual adjustment or ~~general the~~ reassessment  
 40 is effective.  
 41 STEP THREE: Determine the three (3) calendar years that  
 42 immediately precede the ensuing calendar year and in which a

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- 1 statewide general reassessment of real property **under**  
 2 **IC 6-1.1-4-4** does not first become effective.
- 3 STEP FOUR: Subject to subsection (e), compute separately, for  
 4 each of the calendar years determined in STEP THREE, the actual  
 5 percentage change (rounded to the nearest one-hundredth percent  
 6 (0.01%)) in the assessed value (before the adjustment, if any,  
 7 under IC 6-1.1-4-4.5) of the taxable property from the preceding  
 8 year.
- 9 STEP FIVE: Divide the sum of the three (3) quotients computed  
 10 in STEP FOUR by three (3).
- 11 STEP SIX: Determine the greater of the following:
- 12 (A) Zero (0).
- 13 (B) The result of the STEP TWO percentage minus the STEP  
 14 FIVE percentage.
- 15 STEP SEVEN: Determine the quotient of the STEP ONE tax rate  
 16 divided by the sum of one (1) plus the STEP SIX percentage  
 17 increase.
- 18 (d) The department of local government finance shall compute the  
 19 maximum rate allowed under subsection (c) and provide the rate to  
 20 each political subdivision with authority to levy a tax under a statute  
 21 listed in subsection (a).
- 22 (e) This subsection applies to STEP TWO and STEP FOUR of  
 23 subsection (c) for taxes first due and payable after 2011. If the assessed  
 24 value change used in the STEPS was not an increase, the STEPS are  
 25 applied using instead:
- 26 (1) the actual percentage decrease (rounded to the nearest  
 27 one-hundredth percent (0.01%)) in the assessed value (before the  
 28 adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property;  
 29 or  
 30 (2) zero (0) if the assessed value did not increase or decrease.
- 31 SECTION 36. IC 6-1.1-18.5-10, AS AMENDED BY  
 32 P.L.182-2009(ss), SECTION 128, IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 10. (a) The ad  
 34 valorem property tax levy limits imposed by section 3 of this chapter  
 35 do not apply to ad valorem property taxes imposed by a civil taxing  
 36 unit to be used to fund:
- 37 (1) community mental health centers under:
- 38 (A) IC 12-29-2-1.2, for only those civil taxing units that  
 39 authorized financial assistance under IC 12-29-1 before 2002  
 40 for a community mental health center as long as the tax levy  
 41 under this section does not exceed the levy authorized in 2002;  
 42 (B) IC 12-29-2-2 through IC 12-29-2-5; and

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1 (C) IC 12-29-2-13; or  
 2 (2) community mental retardation and other developmental  
 3 disabilities centers under IC 12-29-1-1;  
 4 to the extent that those property taxes are attributable to any increase  
 5 in the assessed value of the civil taxing unit's taxable property caused  
 6 by a general reassessment of real property **under IC 6-1.1-4-4 or a**  
 7 **reassessment of real property under a reassessment plan prepared**  
 8 **under IC 6-1.1-4-4.2** that took effect after February 28, 1979.  
 9 (b) For purposes of computing the ad valorem property tax levy  
 10 limits imposed on a civil taxing unit by section 3 of this chapter, the  
 11 civil taxing unit's ad valorem property tax levy for a particular calendar  
 12 year does not include that part of the levy described in subsection (a).  
 13 (c) This subsection applies to property taxes first due and payable  
 14 after December 31, 2008. Notwithstanding subsections (a) and (b) or  
 15 any other law, any property taxes imposed by a civil taxing unit that are  
 16 exempted by this section from the ad valorem property tax levy limits  
 17 imposed by section 3 of this chapter may not increase annually by a  
 18 percentage greater than the result of:  
 19 (1) the assessed value growth quotient determined under section  
 20 2 of this chapter; minus  
 21 (2) one (1).  
 22 (d) For a county that:  
 23 (1) did not impose an ad valorem property tax levy in 2008 for the  
 24 county general fund to provide financial assistance under  
 25 IC 12-29-1 (community mental retardation and other  
 26 developmental disabilities center) or IC 12-29-2 (community  
 27 mental health center); and  
 28 (2) determines for 2009 or a later calendar year to impose a levy  
 29 as described in subdivision (1);  
 30 the ad valorem property tax levy limits imposed under section 3 of this  
 31 chapter do not apply to the part of the county's general fund levy that  
 32 is used in the first calendar year for which a determination is made  
 33 under subdivision (2) to provide financial assistance under IC 12-29-1  
 34 or IC 12-29-2. The department of local government finance shall  
 35 review a county's proposed budget that is submitted under IC 12-29-1-1  
 36 or IC 12-29-2-1.2 and make a final determination of the amount to  
 37 which the levy limits do not apply under this subsection for the first  
 38 calendar year for which a determination is made under subdivision (2).  
 39 (e) The ad valorem property tax levy limits imposed under section  
 40 3 of this chapter do not apply to the county's general fund levy in the  
 41 amount determined by the department of local government finance  
 42 under subsection (d) in each calendar year following the calendar year

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1 for which the determination under subsection (b) is made.

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

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

- 21 (A) The first calendar year in which those costs are incurred.  
22 (B) One (1) or more of the immediately succeeding four (4)  
23 calendar years.

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

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



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

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

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

16 (i) for a particular calendar year before 2007, the total  
 17 assessed value of property tax deductions in the unit under  
 18 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar  
 19 year; or

20 (ii) for a particular calendar year after 2006, the total  
 21 assessed value of property tax deductions that applied in the  
 22 unit under IC 6-1.1-12-42 in 2006 plus for a particular  
 23 calendar year after 2009, the total assessed value of property  
 24 tax deductions that applied in the unit under  
 25 IC 6-1.1-12-37.5 in 2008;

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

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

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

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

39 (ii) for a particular calendar year after 2006, the total  
 40 assessed value of property tax deductions that applied in all  
 41 counties under IC 6-1.1-12-42 in 2006 plus for a particular  
 42 calendar year after 2009, the total assessed value of property

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

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

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

23 (A) the township's township assistance ad valorem property  
 24 tax rate is less than one and sixty-seven hundredths cents  
 25 (\$0.0167) per one hundred dollars (\$100) of assessed  
 26 valuation; and

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

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

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

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1 (B) the local government tax control board finds that the civil  
 2 taxing unit needs the increase to provide adequate public  
 3 transportation services.  
 4 The local government tax control board shall consider tax rates  
 5 and levies in civil taxing units of comparable population, and the  
 6 effect (if any) of a loss of federal or other funds to the civil taxing  
 7 unit that might have been used for public transportation purposes.  
 8 However, the increase that the board may recommend under this  
 9 subdivision for a civil taxing unit may not exceed the revenue that  
 10 would be raised by the civil taxing unit based on a property tax  
 11 rate of one cent (\$0.01) per one hundred dollars (\$100) of  
 12 assessed valuation.  
 13 (8) A levy increase may not be granted under this subdivision for  
 14 property taxes first due and payable after December 31, 2008.  
 15 Permission to a civil taxing unit to increase the unit's levy in  
 16 excess of the limitations established under section 3 of this  
 17 chapter if the local government tax control board finds that:  
 18 (A) the civil taxing unit is:  
 19 (i) a county having a population of more than one hundred  
 20 forty-eight thousand (148,000) but less than one hundred  
 21 seventy thousand (170,000);  
 22 (ii) a city having a population of more than fifty-five  
 23 thousand (55,000) but less than fifty-nine thousand (59,000);  
 24 (iii) a city having a population of more than twenty-eight  
 25 thousand seven hundred (28,700) but less than twenty-nine  
 26 thousand (29,000);  
 27 (iv) a city having a population of more than fifteen thousand  
 28 four hundred (15,400) but less than sixteen thousand six  
 29 hundred (16,600); or  
 30 (v) a city having a population of more than seven thousand  
 31 (7,000) but less than seven thousand three hundred (7,300);  
 32 and  
 33 (B) the increase is necessary to provide funding to undertake  
 34 removal (as defined in IC 13-11-2-187) and remedial action  
 35 (as defined in IC 13-11-2-185) relating to hazardous  
 36 substances (as defined in IC 13-11-2-98) in solid waste  
 37 disposal facilities or industrial sites in the civil taxing unit that  
 38 have become a menace to the public health and welfare.  
 39 The maximum increase that the local government tax control  
 40 board may recommend for such a civil taxing unit is the levy that  
 41 would result from a property tax rate of six and sixty-seven  
 42 hundredths cents (\$0.0667) for each one hundred dollars (\$100)

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1 of assessed valuation. For purposes of computing the ad valorem  
 2 property tax levy limit imposed on a civil taxing unit under  
 3 section 3 of this chapter, the civil taxing unit's ad valorem  
 4 property tax levy for a particular year does not include that part of  
 5 the levy imposed under this subdivision. In addition, a property  
 6 tax increase permitted under this subdivision may be imposed for  
 7 only two (2) calendar years.

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

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

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

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

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

- 24 (i) American Correctional Association Jail Construction  
 25 Standards; and
- 26 (ii) Indiana jail operation standards adopted by the  
 27 department of correction; or

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

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

42 (10) A levy increase may not be granted under this subdivision for

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

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

35 (12) Permission to a city having a population of more than  
 36 twenty-nine thousand (29,000) but less than thirty-one thousand  
 37 (31,000) to increase its levy in excess of the limitations  
 38 established under section 3 of this chapter if:

- 39 (A) an appeal was granted to the city under this section to
- 40 reallocate property tax replacement credits under IC 6-3.5-1.1
- 41 in 1998, 1999, and 2000; and
- 42 (B) the increase has been approved by the legislative body of

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1 the city, and the legislative body of the city has by resolution  
 2 determined that the increase is necessary to pay normal  
 3 operating expenses.  
 4 The maximum amount of the increase is equal to the amount of  
 5 property tax replacement credits under IC 6-3.5-1.1 that the city  
 6 petitioned under this section to have reallocated in 2001 for a  
 7 purpose other than property tax relief.  
 8 (13) A levy increase may be granted under this subdivision only  
 9 for property taxes first due and payable after December 31, 2008.  
 10 Permission to a civil taxing unit to increase its levy in excess of  
 11 the limitations established under section 3 of this chapter if the  
 12 civil taxing unit cannot carry out its governmental functions for  
 13 an ensuing calendar year under the levy limitations imposed by  
 14 section 3 of this chapter due to a natural disaster, an accident, or  
 15 another unanticipated emergency.  
 16 (14) Permission to Jefferson County to increase its levy in excess  
 17 of the limitations established under section 3 of this chapter if the  
 18 department finds that the county experienced a property tax  
 19 revenue shortfall that resulted from an erroneous estimate of the  
 20 effect of the supplemental deduction under IC 6-1.1-12-37.5 on  
 21 the county's assessed valuation. An appeal for a levy increase  
 22 under this subdivision may not be denied because of the amount  
 23 of cash balances in county funds. The maximum increase in the  
 24 county's levy that may be approved under this subdivision is three  
 25 hundred thousand dollars (\$300,000).  
 26 (b) The department of local government finance shall increase the  
 27 maximum permissible ad valorem property tax levy under section 3 of  
 28 this chapter for the city of Goshen for 2012 and thereafter by an  
 29 amount equal to the greater of zero (0) or the result of:  
 30 (1) the city's total pension costs in 2009 for the 1925 police  
 31 pension fund (IC 36-8-6) and the 1937 firefighters' pension fund  
 32 (IC 36-8-7); minus  
 33 (2) the sum of:  
 34 (A) the total amount of state funds received in 2009 by the city  
 35 and used to pay benefits to members of the 1925 police  
 36 pension fund (IC 36-8-6) or the 1937 firefighters' pension fund  
 37 (IC 36-8-7); plus  
 38 (B) any previous permanent increases to the city's levy that  
 39 were authorized to account for the transfer to the state of the  
 40 responsibility to pay benefits to members of the 1925 police  
 41 pension fund (IC 36-8-6) and the 1937 firefighters' pension  
 42 fund (IC 36-8-7).

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1 SECTION 38. IC 6-1.1-28-8 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 8. (a) The county  
 3 property tax assessment board shall remain in session until the board's  
 4 duties are complete.

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

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

16 SECTION 39. IC 6-1.1-31-9 IS AMENDED TO READ AS  
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 9. (a) Except as  
 18 provided in subsection (b), the department of local government finance  
 19 may not adopt rules for the appraisal of real property:

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

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

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

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

33 SECTION 40. IC 6-1.1-33.5-6 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. (a) With  
 35 respect to any township or county for any year, the department of local  
 36 government finance may initiate a review to determine whether to order  
 37 a special reassessment under this chapter. The review may apply to real  
 38 property or personal property, or both.

39 (b) If the department of local government finance determines under  
 40 subsection (a) ~~of this chapter~~ to initiate a review with respect to the real  
 41 property **subject to reassessment under IC 6-1.1-4-4** within a  
 42 township or county, or a portion of the real property within a township

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1 or county, the division of data analysis of the department shall  
 2 determine for the real property under consideration and for the  
 3 township or county the variance between:

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

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

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

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

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

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

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

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

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

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

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

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

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- 1 (2) the department of local government finance determines after  
 2 holding hearings on the matter that a special reassessment should  
 3 be conducted;  
 4 the department shall contract for a special reassessment to be  
 5 conducted to correct the valuation of the property.  
 6 ~~(g)~~ **(h)** If the variance determined under subsection (b), ~~or~~ (c), **or** (d)  
 7 is twenty percent (20%) or less, the department of local government  
 8 finance shall determine whether to correct the valuation of the property  
 9 under:  
 10 (1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or  
 11 (2) IC 6-1.1-14.  
 12 ~~(h)~~ **(i)** The department of local government finance shall give notice  
 13 to a taxpayer, by individual notice or by publication at the discretion of  
 14 the department, of a hearing concerning the department's intent to  
 15 cause the assessment of the taxpayer's property to be adjusted under  
 16 this section. The time fixed for the hearing must be at least ten (10)  
 17 days after the day the notice is mailed or published. The department  
 18 may conduct a single hearing under this section with respect to  
 19 multiple properties. The notice must state:  
 20 (1) the time of the hearing;  
 21 (2) the location of the hearing; and  
 22 (3) that the purpose of the hearing is to hear taxpayers' comments  
 23 and objections with respect to the department's intent to adjust the  
 24 assessment of property under this chapter.  
 25 ~~(i)~~ **(j)** If the department of local government finance determines  
 26 after the hearing that the assessment of property should be adjusted  
 27 under this chapter, the department shall:  
 28 (1) cause the assessment of the property to be adjusted;  
 29 (2) mail a certified notice of its final determination to the county  
 30 auditor of the county in which the property is located; and  
 31 (3) notify the taxpayer as required under IC 6-1.1-14.  
 32 ~~(j)~~ **(k)** A reassessment or adjustment may be made under this section  
 33 only if the notice of the final determination is given to the taxpayer  
 34 within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.  
 35 ~~(k)~~ **(l)** If the department of local government finance contracts for  
 36 a special reassessment of property under this chapter, the department  
 37 shall forward the bill for services of the reassessment contractor to the  
 38 county auditor, and the county shall pay the bill from the county  
 39 reassessment fund.  
 40 SECTION 41. IC 6-1.1-34-1, AS AMENDED BY P.L.182-2009(ss),  
 41 SECTION 170, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. In the year after:



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

6 the department of local government finance shall compute a new  
 7 assessment ratio for each school corporation located in a county in  
 8 which a supplemental county levy is imposed under IC 20-45-7 or  
 9 IC 20-45-8. In all other years, the department shall compute a new  
 10 assessment ratio for such a school corporation if the department finds  
 11 that there has been sufficient reassessment or adjustment of one (1) or  
 12 more classes of property in the school district. When the department of  
 13 local government finance computes a new assessment ratio for a school  
 14 corporation, the department shall publish the new ratio.

15 SECTION 42. IC 6-1.1-34-7, AS AMENDED BY P.L.182-2009(ss),  
 16 SECTION 171, IS AMENDED TO READ AS FOLLOWS  
 17 [EFFECTIVE JANUARY 1, 2013]: Sec. 7. (a) Each year in which the  
 18 department of local government finance computes a new assessment  
 19 ratio for a school corporation, the department shall also compute a new  
 20 adjustment factor for the school corporation. If the school corporation's  
 21 assessment ratio for a year is more than ninety-nine percent (99%) but  
 22 less than one hundred one percent (101%) of the state average  
 23 assessment ratio for that year, the school corporation's adjustment  
 24 factor is the number one (1). In all other cases, the school corporation's  
 25 adjustment factor equals:

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

28 The department of local government finance shall notify the school  
 29 corporation of its new adjustment factor before March 2 of the year in  
 30 which the department calculates the new adjustment factor.

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

- 32 (1) a general reassessment **under IC 6-1.1-4-4** takes effect; **or**  
 33 (2) a cycle under a county's reassessment plan prepared under  
 34 **IC 6-1.1-4-4.2 is completed.**

35 If the department of local government finance has not computed a new  
 36 assessment ratio for a school corporation, the school corporation's  
 37 adjustment factor is the number one (1) until the department of local  
 38 government finance notifies the school corporation of the school  
 39 corporation's new adjustment factor.

40 SECTION 43. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,  
 41 SECTION 296, IS AMENDED TO READ AS FOLLOWS  
 42 [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) A declaratory ordinance

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

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

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

15 (B) the base assessed value;

16 shall be allocated to and, when collected, paid into the funds of  
 17 the respective taxing units. However, if the effective date of the  
 18 allocation provision of a declaratory ordinance is after March 1,  
 19 1985, and before January 1, 1986, and if an improvement to  
 20 property was partially completed on March 1, 1985, the unit may  
 21 provide in the declaratory ordinance that the taxes attributable to  
 22 the assessed value of the property as finally determined for March  
 23 1, 1984, shall be allocated to and, when collected, paid into the  
 24 funds of the respective taxing units.

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

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

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- 1 amount shall be paid to the respective taxing units in the manner  
 2 prescribed by subdivision (1).
- 3 (b) Property tax proceeds allocable to the economic development  
 4 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 5 irrevocably pledged by the unit for payment as set forth in subsection  
 6 (a)(2).
- 7 (c) For the purpose of allocating taxes levied by or for any taxing  
 8 unit or units, the assessed value of taxable property in a territory in the  
 9 economic development district that is annexed by any taxing unit after  
 10 the effective date of the allocation provision of the declaratory  
 11 ordinance is the lesser of:  
 12 (1) the assessed value of the property for the assessment date with  
 13 respect to which the allocation and distribution is made; or  
 14 (2) the base assessed value.
- 15 (d) Notwithstanding any other law, each assessor shall, upon  
 16 petition of the fiscal body, reassess the taxable property situated upon  
 17 or in, or added to, the economic development district effective on the  
 18 next assessment date after the petition.
- 19 (e) Notwithstanding any other law, the assessed value of all taxable  
 20 property in the economic development district, for purposes of tax  
 21 limitation, property tax replacement, and formulation of the budget, tax  
 22 rate, and tax levy for each political subdivision in which the property  
 23 is located, is the lesser of:  
 24 (1) the assessed value of the property as valued without regard to  
 25 this section; or  
 26 (2) the base assessed value.
- 27 (f) The state board of accounts and department of local government  
 28 finance shall make the rules and prescribe the forms and procedures  
 29 that they consider expedient for the implementation of this chapter.  
 30 After each:  
 31 **(1) general reassessment under ~~IC 6-1.1-4~~, IC 6-1.1-4-4; or**  
 32 **(2) reassessment of a group of parcels under a reassessment**  
 33 **plan prepared under IC 6-1.1-4-4.2;**  
 34 the department of local government finance shall adjust the base  
 35 assessed value one (1) time to neutralize any effect of the ~~general~~  
 36 reassessment on the property tax proceeds allocated to the district  
 37 under this section. After each annual adjustment under IC 6-1.1-4-4.5,  
 38 the department of local government finance shall adjust the base  
 39 assessed value to neutralize any effect of the annual adjustment on the  
 40 property tax proceeds allocated to the district under this section.  
 41 However, the adjustments under this subsection may not include the  
 42 effect of property tax abatements under IC 6-1.1-12.1.



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1 (g) As used in this section, "property taxes" means:  
 2 (1) taxes imposed under this article on real property; and  
 3 (2) any part of the taxes imposed under this article on depreciable  
 4 personal property that the unit has by ordinance allocated to the  
 5 economic development district. However, the ordinance may not  
 6 limit the allocation to taxes on depreciable personal property with  
 7 any particular useful life or lives.

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

13 (h) As used in this section, "base assessed value" means:  
 14 (1) the net assessed value of all the property as finally determined  
 15 for the assessment date immediately preceding the effective date  
 16 of the allocation provision of the declaratory resolution, as  
 17 adjusted under subsection (f); plus  
 18 (2) to the extent that it is not included in subdivision (1), the net  
 19 assessed value of property that is assessed as residential property  
 20 under the rules of the department of local government finance, as  
 21 finally determined for any assessment date after the effective date  
 22 of the allocation provision.

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

26 SECTION 44. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007,  
 27 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JANUARY 1, 2013]: Sec. 28. (a) Subject to this section and section 34  
 29 of this chapter, the amount of the deduction which the property owner  
 30 is entitled to receive under this chapter for a particular year equals the  
 31 product of:

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

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

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

| 39 YEAR OF DEDUCTION | PERCENTAGE |
|----------------------|------------|
| 40 1st               | 100%       |
| 41 2nd               | 66%        |
| 42 3rd               | 33%        |

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

| 2 YEAR OF DEDUCTION | PERCENTAGE |
|---------------------|------------|
| 3 1st               | 100%       |
| 4 2nd               | 85%        |
| 5 3rd               | 66%        |
| 6 4th               | 50%        |
| 7 5th               | 34%        |
| 8 6th               | 17%        |

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

| 10 YEAR OF DEDUCTION | PERCENTAGE |
|----------------------|------------|
| 11 1st               | 100%       |
| 12 2nd               | 95%        |
| 13 3rd               | 80%        |
| 14 4th               | 65%        |
| 15 5th               | 50%        |
| 16 6th               | 40%        |
| 17 7th               | 30%        |
| 18 8th               | 20%        |
| 19 9th               | 10%        |
| 20 10th              | 5%         |

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

24 (1) If a:

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

26 **or**

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

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

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

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

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

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

42 (B) has contributed;



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

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

7 SECTION 45. IC 33-26-8-1, AS AMENDED BY P.L.1-2007,  
 8 SECTION 213, IS AMENDED TO READ AS FOLLOWS  
 9 [EFFECTIVE JANUARY 1, 2013]: Sec. 1. As used in this chapter,  
 10 "contractor" means a ~~general~~ reassessment, ~~general~~ reassessment  
 11 review, or special reassessment contractor of the department of local  
 12 government finance under IC 6-1.1-4-32 (repealed).

13 SECTION 46. IC 33-26-8-3, AS AMENDED BY P.L.1-2007,  
 14 SECTION 214, IS AMENDED TO READ AS FOLLOWS  
 15 [EFFECTIVE JANUARY 1, 2013]: Sec. 3. As used in this chapter,  
 16 "qualifying official" refers to any of the following:

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

33 SECTION 47. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,  
 34 SECTION 691, IS AMENDED TO READ AS FOLLOWS  
 35 [EFFECTIVE JANUARY 1, 2013]: Sec. 13. The county fiscal body  
 36 may grant to the county assessor, in addition to the compensation fixed  
 37 under IC 36-2-5, a per diem for each day that the assessor is engaged  
 38 in ~~general~~ reassessment activities **under IC 6-1.1-4-4 or under a**  
 39 **reassessment plan prepared under IC 6-1.1-4-4.2.** This section  
 40 applies regardless of whether professional assessing services are  
 41 provided under a contract to one (1) or more townships in the county.

42 SECTION 48. IC 36-6-8-5, AS AMENDED BY P.L.146-2008,



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1 SECTION 717, IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) When performing the  
3 real property reassessment duties ~~prescribed by IC 6-1.1-4,~~ **under**  
4 **IC 6-1.1-4-4 or a county's reassessment plan prepared under**  
5 **IC 6-1.1-4-4.2,** a township assessor may receive per diem  
6 compensation, in addition to salary, at a rate fixed by the county fiscal  
7 body, for each day that the assessor is engaged in reassessment  
8 activities.

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

11 SECTION 49. IC 36-7-14-39, AS AMENDED BY P.L.203-2011,  
12 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JANUARY 1, 2013]: Sec. 39. (a) As used in this section:

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

18 "Base assessed value" means the following:

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

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

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

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

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

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

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- (3) If:
    - (A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and
    - (B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;
- the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).
- (4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).
  - (5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.
  - (6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

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

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

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

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

26 (A) the assessed value of the property for the assessment date  
 27 with respect to which the allocation and distribution is made;  
 28 or

29 (B) the base assessed value;

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

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

40 (3) Except as otherwise provided in this section, property tax  
 41 proceeds in excess of those described in subdivisions (1) and (2)  
 42 shall be allocated to the redevelopment district and, when

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collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

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

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

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

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

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

(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

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the taxing district.

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

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

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

(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

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1 commission. The commission may not authorize an allocation  
 2 of assessed value to the respective taxing units under this  
 3 subdivision if to do so would endanger the interests of the  
 4 holders of bonds described in subdivision (3) or lessors under  
 5 section 25.3 of this chapter.

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

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

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

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

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

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

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

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

20 (h) The state board of accounts and department of local government  
 21 finance shall make the rules and prescribe the forms and procedures  
 22 that they consider expedient for the implementation of this chapter.  
 23 After each general reassessment **of real property in an area under**  
 24 **IC 6-1.1-4-4 and after each reassessment in an area under a**  
 25 **reassessment plan prepared** under ~~IC 6-1.1-4~~, **IC 6-1.1-4-4.2**, the  
 26 department of local government finance shall adjust the base assessed  
 27 value one (1) time to neutralize any effect of the ~~general~~ **the**  
 28 **reassessment of the real property in the area** on the property tax  
 29 proceeds allocated to the redevelopment district under this section.  
 30 After each annual adjustment under IC 6-1.1-4-4.5, the department of  
 31 local government finance shall adjust the base assessed value one (1)  
 32 time to neutralize any effect of the annual adjustment on the property  
 33 tax proceeds allocated to the redevelopment district under this section.  
 34 However, the adjustments under this subsection may not include the  
 35 effect of property tax abatements under IC 6-1.1-12.1, and these  
 36 adjustments may not produce less property tax proceeds allocable to  
 37 the redevelopment district under subsection (b)(3) than would  
 38 otherwise have been received if the general reassessment, **the**  
 39 **reassessment under the reassessment plan**, or the annual adjustment  
 40 had not occurred. The department of local government finance may  
 41 prescribe procedures for county and township officials to follow to  
 42 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 50. IC 36-7-15.1-26, AS AMENDED BY P.L.203-2011,  
17 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
18 JANUARY 1, 2013]: Sec. 26. (a) As used in this section:

19 "Allocation area" means that part of a redevelopment project area  
20 to which an allocation provision of a resolution adopted under section  
21 8 of this chapter refers for purposes of distribution and allocation of  
22 property taxes.

23 "Base assessed value" means the following:

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

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1 (B) to the extent that it is not included in clause (A), the net  
2 assessed value of property that is assessed as residential  
3 property under the rules of the department of local government  
4 finance, as finally determined for any assessment date after the  
5 effective date of the allocation provision.  
6 (3) If:  
7 (A) an allocation provision adopted before June 30, 1995, in  
8 a declaratory resolution or an amendment to a declaratory  
9 resolution establishing a redevelopment project area expires  
10 after June 30, 1997; and  
11 (B) after June 30, 1997, a new allocation provision is included  
12 in an amendment to the declaratory resolution;  
13 the net assessed value of all the property as finally determined for  
14 the assessment date immediately preceding the effective date of  
15 the allocation provision adopted after June 30, 1997, as adjusted  
16 under subsection (h).  
17 (4) Except as provided in subdivision (5), for all other allocation  
18 areas, the net assessed value of all the property as finally  
19 determined for the assessment date immediately preceding the  
20 effective date of the allocation provision of the declaratory  
21 resolution, as adjusted under subsection (h).  
22 (5) If an allocation area established in an economic development  
23 area before July 1, 1995, is expanded after June 30, 1995, the  
24 definition in subdivision (1) applies to the expanded part of the  
25 area added after June 30, 1995.  
26 (6) If an allocation area established in a redevelopment project  
27 area before July 1, 1997, is expanded after June 30, 1997, the  
28 definition in subdivision (2) applies to the expanded part of the  
29 area added after June 30, 1997.  
30 Except as provided in section 26.2 of this chapter, "property taxes"  
31 means taxes imposed under IC 6-1.1 on real property. However, upon  
32 approval by a resolution of the redevelopment commission adopted  
33 before June 1, 1987, "property taxes" also includes taxes imposed  
34 under IC 6-1.1 on depreciable personal property. If a redevelopment  
35 commission adopted before June 1, 1987, a resolution to include within  
36 the definition of property taxes taxes imposed under IC 6-1.1 on  
37 depreciable personal property that has a useful life in excess of eight  
38 (8) years, the commission may by resolution determine the percentage  
39 of taxes imposed under IC 6-1.1 on all depreciable personal property  
40 that will be included within the definition of property taxes. However,  
41 the percentage included must not exceed twenty-five percent (25%) of  
42 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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

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

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

33 or

34 (B) the base assessed value;

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

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

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1 into the funds of the taxing unit for which the referendum or local  
 2 public question was conducted.  
 3 (3) Except as otherwise provided in this section, property tax  
 4 proceeds in excess of those described in subdivisions (1) and (2)  
 5 shall be allocated to the redevelopment district and, when  
 6 collected, paid into a special fund for that allocation area that may  
 7 be used by the redevelopment district only to do one (1) or more  
 8 of the following:  
 9 (A) Pay the principal of and interest on any obligations  
 10 payable solely from allocated tax proceeds that are incurred by  
 11 the redevelopment district for the purpose of financing or  
 12 refinancing the redevelopment of that allocation area.  
 13 (B) Establish, augment, or restore the debt service reserve for  
 14 bonds payable solely or in part from allocated tax proceeds in  
 15 that allocation area.  
 16 (C) Pay the principal of and interest on bonds payable from  
 17 allocated tax proceeds in that allocation area and from the  
 18 special tax levied under section 19 of this chapter.  
 19 (D) Pay the principal of and interest on bonds issued by the  
 20 consolidated city to pay for local public improvements that are  
 21 physically located in or physically connected to that allocation  
 22 area.  
 23 (E) Pay premiums on the redemption before maturity of bonds  
 24 payable solely or in part from allocated tax proceeds in that  
 25 allocation area.  
 26 (F) Make payments on leases payable from allocated tax  
 27 proceeds in that allocation area under section 17.1 of this  
 28 chapter.  
 29 (G) Reimburse the consolidated city for expenditures for local  
 30 public improvements (which include buildings, parking  
 31 facilities, and other items set forth in section 17 of this  
 32 chapter) that are physically located in or physically connected  
 33 to that allocation area.  
 34 (H) Reimburse the unit for rentals paid by it for a building or  
 35 parking facility that is physically located in or physically  
 36 connected to that allocation area under any lease entered into  
 37 under IC 36-1-10.  
 38 (I) Reimburse public and private entities for expenses incurred  
 39 in training employees of industrial facilities that are 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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government finance.  
However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

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

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

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

(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

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1 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 2 or partly located within the allocation area. The notice must:  
 3 (i) state the amount, if any, of excess assessed value that the  
 4 commission has determined may be allocated to the  
 5 respective taxing units in the manner prescribed in  
 6 subdivision (1); or  
 7 (ii) state that the commission has determined that there is no  
 8 excess assessed value that may be allocated to the respective  
 9 taxing units in the manner prescribed in subdivision (1).  
 10 The county auditor shall allocate to the respective taxing units  
 11 the amount, if any, of excess assessed value determined by the  
 12 commission. The commission may not authorize an allocation  
 13 to the respective taxing units under this subdivision if to do so  
 14 would endanger the interests of the holders of bonds described  
 15 in subdivision (3).  
 16 (c) For the purpose of allocating taxes levied by or for any taxing  
 17 unit or units, the assessed value of taxable property in a territory in the  
 18 allocation area that is annexed by any taxing unit after the effective  
 19 date of the allocation provision of the resolution is the lesser of:  
 20 (1) the assessed value of the property for the assessment date with  
 21 respect to which the allocation and distribution is made; or  
 22 (2) the base assessed value.  
 23 (d) Property tax proceeds allocable to the redevelopment district  
 24 under subsection (b)(3) may, subject to subsection (b)(4), be  
 25 irrevocably pledged by the redevelopment district for payment as set  
 26 forth in subsection (b)(3).  
 27 (e) Notwithstanding any other law, each assessor shall, upon  
 28 petition of the commission, reassess the taxable property situated upon  
 29 or in, or added to, the allocation area, effective on the next assessment  
 30 date after the petition.  
 31 (f) Notwithstanding any other law, the assessed value of all taxable  
 32 property in the allocation area, for purposes of tax limitation, property  
 33 tax replacement, and formulation of the budget, tax rate, and tax levy  
 34 for each political subdivision in which the property is located is the  
 35 lesser of:  
 36 (1) the assessed value of the property as valued without regard to  
 37 this section; or  
 38 (2) the base assessed value.  
 39 (g) If any part of the allocation area is located in an enterprise zone  
 40 created under IC 5-28-15, the unit that designated the allocation area  
 41 shall create funds as specified in this subsection. A unit that has  
 42 obligations, bonds, or leases payable from allocated tax proceeds under

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

17 (1) To pay for programs in job training, job enrichment, and basic  
 18 skill development designed to benefit residents and employers in  
 19 the enterprise zone. The programs must reserve at least one-half  
 20 (1/2) of the enrollment in any session for residents of the  
 21 enterprise zone.

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

26 (A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

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

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

25 (A) terminates the automatic extension of allocation deadlines  
 26 under subdivision (2); and

27 (B) specifically designates a particular date as the final  
 28 allocation deadline.

29 SECTION 51. IC 36-7-15.1-53, AS AMENDED BY P.L.203-2011,  
 30 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JANUARY 1, 2013]: Sec. 53. (a) As used in this section:

32 "Allocation area" means that part of a redevelopment project area  
 33 to which an allocation provision of a resolution adopted under section  
 34 40 of this chapter refers for purposes of distribution and allocation of  
 35 property taxes.

36 "Base assessed value" means:

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

41 (2) to the extent that it is not included in subdivision (1), the net  
 42 assessed value of property that is assessed as residential property

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

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- 1 (2) The excess of the proceeds of the property taxes imposed for
- 2 the assessment date with respect to which the allocation and
- 3 distribution is made that are attributable to taxes imposed after
- 4 being approved by the voters in a referendum or local public
- 5 question conducted after April 30, 2010, not otherwise included
- 6 in subdivision (1) shall be allocated to and, when collected, paid
- 7 into the funds of the taxing unit for which the referendum or local
- 8 public question was conducted.
- 9 (3) Except as otherwise provided in this section, property tax
- 10 proceeds in excess of those described in subdivisions (1) and (2)
- 11 shall be allocated to the redevelopment district and, when
- 12 collected, paid into a special fund for that allocation area that may
- 13 be used by the redevelopment district only to do one (1) or more
- 14 of the following:
- 15 (A) Pay the principal of and interest on any obligations
- 16 payable solely from allocated tax proceeds that are incurred by
- 17 the redevelopment district for the purpose of financing or
- 18 refinancing the redevelopment of that allocation area.
- 19 (B) Establish, augment, or restore the debt service reserve for
- 20 bonds payable solely or in part from allocated tax proceeds in
- 21 that allocation area.
- 22 (C) Pay the principal of and interest on bonds payable from
- 23 allocated tax proceeds in that allocation area and from the
- 24 special tax levied under section 50 of this chapter.
- 25 (D) Pay the principal of and interest on bonds issued by the
- 26 excluded city to pay for local public improvements that are
- 27 physically located in or physically connected to that allocation
- 28 area.
- 29 (E) Pay premiums on the redemption before maturity of bonds
- 30 payable solely or in part from allocated tax proceeds in that
- 31 allocation area.
- 32 (F) Make payments on leases payable from allocated tax
- 33 proceeds in that allocation area under section 46 of this
- 34 chapter.
- 35 (G) Reimburse the excluded city for expenditures for local
- 36 public improvements (which include buildings, park facilities,
- 37 and other items set forth in section 45 of this chapter) that are
- 38 physically located in or physically connected to that allocation
- 39 area.
- 40 (H) Reimburse the unit for rentals paid by it for a building or
- 41 parking facility that is physically located in or physically
- 42 connected to that allocation area under any lease entered into

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

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

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

(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

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

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

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

11 (2) the base assessed value.

12 (d) Property tax proceeds allocable to the redevelopment district  
13 under subsection (b)(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 commission, reassess the taxable property situated upon  
18 or in, or added to, the allocation area, effective on the next assessment  
19 date after the petition.

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

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

27 (2) the base assessed value.

28 (g) If any part of the allocation area is located in an enterprise zone  
29 created under IC 5-28-15, the unit that designated the allocation area  
30 shall create funds as specified in this subsection. A unit that has  
31 obligations, bonds, or leases payable from allocated tax proceeds under  
32 subsection (b)(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 the 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. A unit that has no obligations, bonds, or leases  
40 payable from allocated tax proceeds under subsection (b)(3) shall  
41 establish a special zone fund and deposit all the property tax proceeds  
42 in excess of those described in subsection (b)(1) and (b)(2) in the fund

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

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

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

15 (A) Businesses operating in the enterprise zone.

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

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

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



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

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

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

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

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

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

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

18 SECTION 52. IC 36-7-30-25, AS AMENDED BY P.L.203-2011,  
19 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20 JANUARY 1, 2013]: Sec. 25. (a) The following definitions apply  
21 throughout this section:

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

26 (2) "Base assessed value" means:

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

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

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

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

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1 allocation area that was established before June 30, 1997, and that  
2 is added to an existing allocation area after June 30, 1997.

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

5 (b) A declaratory resolution adopted under section 10 of this chapter  
6 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
7 resolutions adopted under IC 36-7-14-15 may include a provision with  
8 respect to the allocation and distribution of property taxes for the  
9 purposes and in the manner provided in this section. A declaratory  
10 resolution previously adopted may include an allocation provision by  
11 the amendment of that declaratory resolution in accordance with the  
12 procedures set forth in section 13 of this chapter. The allocation  
13 provision may apply to all or part of the military base reuse area. The  
14 allocation provision must require that any property taxes subsequently  
15 levied by or for the benefit of any public body entitled to a distribution  
16 of property taxes on taxable property in the allocation area be allocated  
17 and distributed as follows:

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

20 (A) the assessed value of the property for the assessment date  
21 with respect to which the allocation and distribution is made;  
22 or

23 (B) the base assessed value;

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

26 (2) The excess of the proceeds of the property taxes imposed for  
27 the assessment date with respect to which the allocation and  
28 distribution are made that are attributable to taxes imposed after  
29 being approved by the voters in a referendum or local public  
30 question conducted after April 30, 2010, not otherwise included  
31 in subdivision (1) shall be allocated to and, when collected, paid  
32 into the funds of the taxing unit for which the referendum or local  
33 public question was conducted.

34 (3) Except as otherwise provided in this section, property tax  
35 proceeds in excess of those described in subdivisions (1) and (2)  
36 shall be allocated to the military base reuse district and, when  
37 collected, paid into an allocation fund for that allocation area that  
38 may be used by the military base reuse district and only to do one  
39 (1) or more of the following:

40 (A) Pay the principal of and interest and redemption premium  
41 on any obligations incurred by the military base reuse district  
42 or any other entity for the purpose of financing or refinancing

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

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1 subdivision (3) plus the amount necessary for other purposes  
 2 described in subdivision (3).  
 3 (B) Provide a written notice to the county auditor, the fiscal  
 4 body of the unit that established the reuse authority, and the  
 5 officers who are authorized to fix budgets, tax rates, and tax  
 6 levies under IC 6-1.1-17-5 for each of the other taxing units  
 7 that is wholly or partly located within the allocation area. The  
 8 notice must:  
 9 (i) state the amount, if any, of excess property taxes that the  
 10 reuse authority has determined may be paid to the respective  
 11 taxing units in the manner prescribed in subdivision (1); or  
 12 (ii) state that the reuse authority has determined that there  
 13 are no excess property tax proceeds that may be allocated to  
 14 the respective taxing units in the manner prescribed in  
 15 subdivision (1).  
 16 The county auditor shall allocate to the respective taxing units  
 17 the amount, if any, of excess property tax proceeds determined  
 18 by the reuse authority. The reuse authority may not authorize  
 19 a payment to the respective taxing units under this subdivision  
 20 if to do so would endanger the interest of the holders of bonds  
 21 described in subdivision (3) or lessors under section 19 of this  
 22 chapter.  
 23 (c) For the purpose of allocating taxes levied by or for any taxing  
 24 unit or units, the assessed value of taxable property in a territory in the  
 25 allocation area that is annexed by a taxing unit after the effective date  
 26 of the allocation provision of the declaratory resolution is the lesser of:  
 27 (1) the assessed value of the property for the assessment date with  
 28 respect to which the allocation and distribution is made; or  
 29 (2) the base assessed value.  
 30 (d) Property tax proceeds allocable to the military base reuse district  
 31 under subsection (b)(3) may, subject to subsection (b)(4), be  
 32 irrevocably pledged by the military base reuse district for payment as  
 33 set forth in subsection (b)(3).  
 34 (e) Notwithstanding any other law, each assessor shall, upon  
 35 petition of the reuse authority, reassess the taxable property situated  
 36 upon or in or added to the allocation area, effective on the next  
 37 assessment date after the petition.  
 38 (f) Notwithstanding any other law, the assessed value of all taxable  
 39 property in the allocation area, for purposes of tax limitation, property  
 40 tax replacement, and the making of the budget, tax rate, and tax levy  
 41 for each political subdivision in which the property is located is the  
 42 lesser of:

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

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

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

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

13 SECTION 53. IC 36-7-30.5-30, AS AMENDED BY P.L.42-2011,  
 14 SECTION 80, AND AS AMENDED BY P.L.203-2011, SECTION 20,  
 15 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) The following  
 17 definitions apply throughout this section:

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

22 (2) "Base assessed value" means:

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

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

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

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



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

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

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

15 (B) the base assessed value;  
 16 shall be allocated to and, when collected, paid into the funds of  
 17 the respective taxing units.

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

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

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

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

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



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- 1 (D) Reimburse any other governmental body for expenditures  
 2 made for local public improvements (or structures) in or  
 3 directly serving or ~~benefitting~~ **benefiting** that allocation area.  
 4 (E) For property taxes first due and payable before 2009, pay  
 5 all or a part of a property tax replacement credit to taxpayers  
 6 in an allocation area as determined by the development  
 7 authority. This credit equals the amount determined under the  
 8 following STEPS for each taxpayer in a taxing district (as  
 9 defined in IC 6-1.1-1-20) that contains all or part of the  
 10 allocation area:  
 11 STEP ONE: Determine that part of the sum of the amounts  
 12 under IC 6-1.1-21-2(g)(1)(A), ~~(repealed)~~, IC 6-1.1-21-2(g)(2),  
 13 ~~(repealed)~~, IC 6-1.1-21-2(g)(3), ~~(repealed)~~,  
 14 IC 6-1.1-21-2(g)(4), ~~(repealed)~~, and IC 6-1.1-21-2(g)(5)  
 15 ~~(repealed)~~ (before their repeal) that is attributable to the  
 16 taxing district.  
 17 STEP TWO: Divide:  
 18 (i) that part of each county's eligible property tax  
 19 replacement amount (as defined in IC 6-1.1-21-2 ~~(repealed)~~  
 20 (before its repeal)) for that year as determined under  
 21 IC 6-1.1-21-4 ~~(repealed)~~ (before its repeal) that is  
 22 attributable to the taxing district; by  
 23 (ii) the STEP ONE sum.  
 24 STEP THREE: Multiply:  
 25 (i) the STEP TWO quotient; by  
 26 (ii) the total amount of the taxpayer's taxes (as defined in  
 27 IC 6-1.1-21-2 ~~(repealed)~~ (before its repeal)) levied in the  
 28 taxing district that have been allocated during that year to an  
 29 allocation fund under this section.  
 30 If not all the taxpayers in an allocation area receive the credit  
 31 in full, each taxpayer in the allocation area is entitled to  
 32 receive the same proportion of the credit. A taxpayer may not  
 33 receive a credit under this section and a credit under section  
 34 32 of this chapter (before its repeal) in the same year.  
 35 (F) Pay expenses incurred by the development authority for  
 36 local public improvements or structures that were in the  
 37 allocation area or directly serving or ~~benefitting~~ **benefiting** the  
 38 allocation area.  
 39 (G) Reimburse public and private entities for expenses  
 40 incurred in training employees of industrial facilities that are  
 41 located:  
 42 (i) in the allocation area; and

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

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

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

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

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

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

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

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

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

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1 ~~(repealed)~~. *(before its repeal)*.

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

3 unit or units, the assessed value of taxable property in a territory in the

4 allocation area that is annexed by a taxing unit after the effective date

5 of the allocation provision of the declaratory resolution is the lesser of:

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

7 respect to which the allocation and distribution is made; or

8 (2) the base assessed value.

9 (d) Property tax proceeds allocable to the military base development

10 district under subsection ~~(b)(2)~~ (b)(3) may, subject to subsection ~~(b)(3)~~;

11 (b)(4), be irrevocably pledged by the military base development district

12 for payment as set forth in subsection ~~(b)(2)~~: (b)(3).

13 (e) Notwithstanding any other law, each assessor shall, upon

14 petition of the development authority, reassess the taxable property

15 situated upon or in or added to the allocation area, effective on the next

16 assessment date after the petition.

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

18 property in the allocation area, for purposes of tax limitation, property

19 tax replacement, and the making of the budget, tax rate, and tax levy

20 for each political subdivision in which the property is located is the

21 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 (g) If any part of the allocation area is located in an enterprise zone

26 created under IC 5-28-15, the development authority shall create funds

27 as specified in this subsection. A development authority that has

28 obligations, bonds, or leases payable from allocated tax proceeds under

29 subsection ~~(b)(2)~~ (b)(3) shall establish an allocation fund for the

30 purposes specified in subsection ~~(b)(2)~~ (b)(3) and a special zone fund.

31 The development authority shall, until the end of the enterprise zone

32 phase out period, deposit each year in the special zone fund any amount

33 in the allocation fund derived from property tax proceeds in excess of

34 those described in subsection (b)(1) and (b)(2) from property located

35 in the enterprise zone that exceeds the amount sufficient for the

36 purposes specified in subsection ~~(b)(2)~~ (b)(3) for the year. The amount

37 sufficient for purposes specified in subsection ~~(b)(2)~~ (b)(3) for the year

38 shall be determined based on the pro rata part of such current property

39 tax proceeds from the part of the enterprise zone that is within the

40 allocation area as compared to all such current property tax proceeds

41 derived from the allocation area. A development authority that does not

42 have obligations, bonds, or leases payable from allocated tax proceeds

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

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

35 SECTION 54. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,  
 36 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37 JANUARY 1, 2013]: Sec. 19. (a) The state board of accounts and  
 38 department of local government finance shall make the rules and  
 39 prescribe the forms and procedures that the state board of accounts and  
 40 department of local government finance consider appropriate for the  
 41 implementation of an allocation area under this chapter.

42 (b) After each general reassessment of real property in an area



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1        **under IC 6-1.1-4-4 or reassessment under a reassessment plan**  
2        **prepared** under ~~IC 6-1.1-4~~, **IC 6-1.1-4-4.2**, the department of local  
3        government finance shall adjust the base assessed value one (1) time  
4        to neutralize any effect of the ~~general~~ **reassessment of the real**  
5        **property in the area** on the property tax proceeds allocated to the  
6        certified technology park fund under section 17 of this chapter. After  
7        each annual adjustment under IC 6-1.1-4-4.5, the department of local  
8        government finance shall adjust the base assessed value to neutralize  
9        any effect of the annual adjustment on the property tax proceeds  
10       allocated to the certified technology park fund under section 17 of this  
11       chapter.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 19, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 7, delete "January 1, 2013," and insert "**July 1, 2013, and before July 1 of every fourth year thereafter,**".

Page 2, line 12, after "finance." insert "**The department of local government finance shall complete its review and approval of the reassessment plan before March 1 of the year following the year in which the reassessment plan is submitted by the county.**".

Page 2, between lines 36 and 37, begin a new line block indented and insert:

**"(8) The reassessment plan must specify the dates by which the assessor must submit land values under section 13.6 of this chapter to the county property tax assessment board of appeals.**

**(9) Subject to review and approval by the department of local government finance, the county assessor may modify the reassessment plan."**

Page 2, line 41, delete "and provide that" and insert ".".

Page 2, delete line 42.

Page 3, delete lines 1 through 2.

Page 3, line 3, delete "within each class of real property in the county."

Page 3, line 7, delete "2013," and insert "**2014,**".

Page 3, line 8, delete "2014." and insert "**2015.**".

Page 6, line 3, delete "2014)" and insert "**2015)**".

Page 6, line 5, delete "2014)," and insert "**2015),**".

Page 6, line 11, delete "2014)" and insert "**2015)**".

Page 6, line 13, delete "2014)," and insert "**2015),**".

Page 7, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 9. IC 6-1.1-4-13.6, AS AMENDED BY P.L.113-2010, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13.6. (a) The county assessor shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the county using guidelines determined by the department of local government finance. ~~Not later than July 1, 2011, and every fourth year thereafter,~~ The assessor determining the values of land shall submit the values to the county property tax assessment board of appeals **by the dates specified in the county's**



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**reassessment plan under section 4.2 of this chapter.**

(b) If the county assessor fails to determine land values under subsection (a) before the ~~July 1 deadline~~, **deadlines in the county's reassessment plan under section 4.2 of this chapter**, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the land values become effective, the department of local government finance shall determine the values.

(c) The county assessor shall notify all township assessors in the county (if any) of the values. Assessing officials shall use the values determined under this section.

(d) A petition for the review of the land values determined by a county assessor under this section may be filed with the department of local government finance not later than forty-five (45) days after the county assessor makes the determination of the land values. The petition must be signed by at least the lesser of:

- (1) one hundred (100) property owners in the county; or
- (2) five percent (5%) of the property owners in the county.

(e) Upon receipt of a petition for review under subsection (d), the department of local government finance:

- (1) shall review the land values determined by the county assessor; and
- (2) after a public hearing, shall:
  - (A) approve;
  - (B) modify; or
  - (C) disapprove;
 the land values."

Page 9, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 15. IC 6-1.1-4-22, AS AMENDED BY P.L.136-2009, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 22. (a) If any assessing official assesses or reassesses any real property under this article (**including an annual adjustment under section 4.5 of this chapter**) the official shall give notice to the taxpayer and the county assessor, by mail **or by using electronic mail that includes a secure Internet link to the information in the notice**, of the amount of the assessment or reassessment.

(b) ~~During a period of general reassessment~~, Each township or county assessor shall ~~mail~~ **provide** the notice required by this section **within by the earlier of:**

- (1) ninety (90) days after the assessor:



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- (1) (A) completes the appraisal of a parcel; or
- (2) (B) receives a report for a parcel from a professional appraiser or professional appraisal firm; or
- (2) April 10 of the year containing the assessment date for which the assessment or reassessment first applies.

(c) The notice required by this section is in addition to any required notice of assessment or reassessment included in a property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

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

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

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

Page 10, delete lines 1 through 7.

Page 10, strike lines 14 through 22.

Page 10, line 23, strike "(c)" and insert "(b)".

Page 10, line 32, strike "(d)" and insert "(c)".

Page 10, line 35, strike "(e)" and insert "(d)".

Page 11, line 1, strike "(f)" and insert "(e)".

Page 11, line 2, strike "or (c)".

Page 11, line 12, strike "(g)" and insert "(f)".

Page 11, line 12, strike "(f)," and insert "(e),".

Page 13, line 20, delete "reassessment" and insert "reassessment, the reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter,".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 19 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 11, Nays 0.

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Y

