CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 19

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

Synopsis: CONFERENCE COMMITTEE REPORT FOR ESB 19. Property taxes. 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. Specifies that the soil productivity factors used for March 1, 2011, shall be used for the March 1, 2012, assessment date, instead of the new values determined by the DLGF for March 1, 2012. Specifies that any required provisional statement shall be based on the latest assessed values certified by the DLGF, as adjusted under the procedures specified by the DLGF. Specifies procedures for resolving multiyear delays in the issuance of tax bills for counties that are at least three years behind in issuing tax bills. Provides that these provisions expire December 31, 2016. Provides that the county executive of a covered county may employ one or more special masters to carry out substantially all of the duties of: (1) the county auditor; (2) the county treasurer; or (3) the county assessor; or any combination of these offices, as is necessary to issue property tax bills in each year that the county is a covered county. Specifies that local income taxes withheld to pay state expenses incurred to issue

expedited tax bills in these counties reduces only the share of local income taxes that would be distributable to the county unit of government. Specifies that money must be set aside to reimburse eligible taxing units for interest costs on the schedule specified by the Indiana bond bank. Indicates that some or all of the required set aside is waived if certain are met. Requires that the extension of time to file for credits or deductions related to reconciliation issued in a covered county for a past tax year must be explained in the tax bill. Provides that the extension is the later of July 1 in the year the county becomes a covered county or 45 days after the reconciliation bill is issued. Permits the current owner of property to file the deduction or credit application. Specifies additional reporting requirements for redevelopment commissions. Requires redevelopment commissions to submit copies of the required reports to the DLGF. **(This conference committee report does the following: (1) Adds the provision specifying that the procedures for resolving multi-year delays in the issuance of tax bills for counties that are at least three years behind in issuing tax bills expire December 31, 2016. (2) Specifies that local income taxes withheld to pay state expenses incurred to issue expedited tax bills in these counties reduce only the share of local income taxes that would be distributable to the county unit of government. (3) Specifies that money must be set aside to reimburse eligible taxing units for interest costs on the schedule specified by the Indiana bond bank. Indicates that 75% of the required set aside is waived if tax bills for past years are issued before March 1 of the year following the year that the county becomes a covered county. (4) Requires that the extension of time to file for credits or deductions related to reconciliation issued in a covered county for a past tax year must be explained in the tax bill. (5) Provides that the extension is the later of July 1 in the year the county becomes a covered county or 45 days after the reconciliation bill is issued. (6) Permits the current owner of property to file the deduction or credit application or to file a property tax appeal. (7) Indicates that the county executive may use any procedure to purchase the services of a special master and special deputy masters. (8) Specifies that a special master in a covered county may also be authorized to carry out the duties of the county assessor. (Under the bill, a special master may be authorized to carry out the duties of the county auditor or county treasurer.) (9) Makes other changes related to these provisions concerning the resolving of multiyear delays in the issuance of tax bills. (10) Specifies that any required provisional statement shall be based on the latest assessed values certified by the DLGF, as adjusted under the procedures specified by the DLGF. (11) Authorizes the DLGF to adopt rules to govern the reassessment of property under county reassessment plans.)**

Effective: Upon passage; February 29, 2012 (retroactive); July 1, 2012; January 1, 2013.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 19 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.182-2009(ss), SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 4. (a) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2010. ~~and each fifth year thereafter. Each~~ **The** reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

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

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

~~(c) For a general reassessment that begins on or after July 1, 2010, the assessed value of real property shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable in the year following the year in which the general reassessment is to be completed.~~

SECTION 2. IC 6-1.1-4-4.2 IS ADDED TO THE INDIANA CODE

AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 4.2. (a) The county assessor of each county shall, before July 1, 2013, and before July 1 of every fourth year thereafter, prepare and submit to the department of local government finance a reassessment plan for the county. The following apply to a reassessment plan prepared and submitted under this section:**

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

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

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

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

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

(6) The reassessment of parcels:

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

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

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

(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.

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

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

(d) The department of local government finance may adopt rules to govern the reassessment of property under county reassessment plans.

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

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

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

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

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

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

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

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

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

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

(1) use a six (6) year rolling average adjusted under subdivision (2) instead of a four (4) year rolling average; and

(2) eliminate in the calculation of the rolling average the year among the six (6) years for which the highest market value in use of agricultural land is determined.

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

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

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

(1) fifteen percent (15%) for a township which does not contain an incorporated city or town;

(2) five percent (5%) for a township containing all or part of an incorporated city or town which has a population of five thousand (5,000) or less;

(3) four percent (4%) for a township containing all or part of an incorporated city which has a population of more than five thousand (5,000) but not exceeding ten thousand (10,000);

(4) three percent (3%) for a township containing all or part of an incorporated city which has a population of more than ten thousand (10,000) but not exceeding fifty thousand (50,000);

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

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

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

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

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

(b) The petition for reassessment must be signed by the lesser of one hundred (100) owners of parcels in the group or five percent (5%) of owners of parcels in the group. The signatures on the

petition must be verified by the oath of one (1) or more of the signers. A certificate of the county auditor stating that the signers constitute the required number of owners of taxable real property in the group of parcels must accompany the petition.

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

SECTION 6. IC 6-1.1-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. If the department of local government finance determines that a petition filed under section 5 **or 5.5** of this chapter has been signed by the required number of petitioners and that the present assessed value of any real property is inequitable, the department of local government finance shall order a reassessment of the real property ~~which has been inequitably assessed.~~ **for which the petition was filed.** The order shall specify the time within which the reassessment shall be completed and the date on which the reassessment shall become effective.

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

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

(1) royalties;
(2) overriding royalties;
(3) mineral rights; or
(4) working interest;

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

(b) Oil or gas interest is subject to assessment and taxation as real

property. Notwithstanding section 4 **or 4.2** of this chapter, each oil or gas interest shall be assessed annually by the assessor of the township in which the oil or gas is located, or the county assessor if there is no township assessor for the township. The township or county assessor shall assess the oil or gas interest to the person who owns or operates the interest.

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

SECTION 9. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 29, 2012 (RETROACTIVE)]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) The department of local government finance shall give written notice to each county assessor of:

(1) the availability of the United States Department of Agriculture's soil survey data; and

(2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land. **However, notwithstanding the availability of new soil productivity factors and the department of local government finance's notice of the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map for the March 1, 2012, assessment date, the soil productivity factors used for the March 1, 2011, assessment date shall be used for the March 1, 2012, assessment date. New soil productivity factors shall be used for assessment dates occurring after March 1, 2012.**

(c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

(d) This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 10. 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 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.

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

(1) deputies;

(2) employees; and

(3) technical advisors who are:

(A) qualified to determine real property values;

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

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

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

SECTION 12. IC 6-1.1-4-17, AS AMENDED BY P.L.182-2009(ss), SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional

appraisers as technical advisors for assessments in all townships in the county. The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract and any addendum to the employment contract.

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

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

SECTION 13. IC 6-1.1-4-20, AS AMENDED BY P.L.146-2008, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 20. The department of local government finance may establish a period, with respect to each ~~general~~ reassessment **under section 4 or 4.2 of this chapter,** that is the only time during which a county assessor may enter into a contract with a professional appraiser. ~~The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.~~

SECTION 14. IC 6-1.1-4-21, AS AMENDED BY P.L.146-2008, SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 21. (a) If during a period of general reassessment **under section 4 of this chapter** a county assessor personally makes the real property appraisals, the appraisals of the parcels subject to taxation must be completed as follows:

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

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

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

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

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

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

(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the

general reassessment begins.

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

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

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

SECTION 15. IC 6-1.1-4-21.4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 21.4. (a) The appraisals of the parcels in a group under a county's reassessment plan prepared under section 4.2 of this chapter that are subject to taxation must be completed as follows:**

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

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

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

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

SECTION 16. 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:

~~(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.

~~(c)~~ **(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.

~~(d)~~ **(e)** Notice of the opportunity to appeal the assessed valuation required under subsection ~~(c)~~ **(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.

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

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

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

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

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

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

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

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

(2) making annual adjustments under section 4.5 of this chapter;

has changed.

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

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

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

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

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

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

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 18. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property **under section 4 of this chapter or reassessment of one (1) or more groups of parcels under a county's reassessment plan prepared under section 4.2 of this chapter,** including the computerization of assessment records;

(2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books;

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:

(A) the county assessor; or

(B) township assessors (if any);

under IC 6-1.1-5.5-3.

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

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

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

(d) An appropriation under this section must be approved by the

fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 19. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 29. (a) The expenses of a reassessment, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of:

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

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

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

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

SECTION 20. IC 6-1.1-4-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 30. **(a)** In making any assessment or reassessment of real property in the interim between general reassessments **under section 4 of this chapter,** the rules, regulations, and standards for assessment are the same as those used in the preceding general reassessment.

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

SECTION 21. IC 6-1.1-4-31, AS AMENDED BY P.L.113-2010, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of:

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

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

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

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

The department of local government finance may inform township assessors (if any), county assessors, and the presidents of county

councils in writing if its check reveals that the general reassessment, **the reassessment of a group of parcels under a county's reassessment plan prepared under section 4.2 of this chapter,** or other property assessment activities are not being properly conducted, work required to be performed by local officials under 50 IAC 21 is not being properly conducted, or property assessments are not being properly made.

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

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

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

(3) property assessments are being properly made.

(c) If the department of local government finance:

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

(2) informs:

(A) the township assessor (if any) of each affected township;

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

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

(d) If the department of local government finance:

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

(2) informs:

(A) the township assessor of each affected township (if any);

(B) the county assessor; and

(C) the president of the county council;

in writing under subsection (a);

the department may conduct the work or contract to have the work conducted to begin not less than sixty (60) days after the date of the notice under subdivision (2). If the department determines during the period between the date of the notice under subdivision (2) and the proposed date for beginning the work or having the work conducted that work required to be performed by local officials under 50 IAC 21 is being properly conducted, the department may rescind the order.

(e) If the department of local government finance contracts to have

work conducted under subsection (d), the department shall forward the bill for the services to the county and the county shall pay the bill under the same procedures that apply to county payments of bills for assessment or reassessment services under section 31.5 of this chapter.

(f) A county council president who is informed by the department of local government finance under subsection (a) shall provide the information to the board of county commissioners. A board of county commissioners that receives information under this subsection may 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 22. 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

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

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

(1) data;
(2) records;
(3) maps;
(4) parcel record cards;
(5) forms;
(6) computer software systems;
(7) computer hardware systems; and
(8) other information;

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

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

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

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

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

(h) The department shall forward a bill for services provided under a contract described in subsection (f) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (i).

(i) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (f), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to

payment under this subsection for work performed under a contract if the contractor:

(1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;

(2) obtains from the department:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services have been received and comply with the contract; and

(3) files with the county auditor:

(A) a duplicate copy of the bill submitted to the department;

(B) proof of the department's approval of the form and amount of the bill; and

(C) the department's certification that the billed goods and services have been received and comply with the contract.

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

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

(1) The commissioner of the Indiana department of administration.

(2) The director of the budget agency.

(3) The attorney general.

(k) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(l) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county

subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessing officials of the land values determined under this subsection.

(m) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (i) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (i) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(n) The department, upon receiving notice under subsection (m) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (m)(1) or (m)(2); or

(B) a person or an entity acted or failed to act as described in subsection (m)(3); and

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

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

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

department under subsection (o). Money shall be withheld from any source payable to the county.

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

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

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

SECTION 23. IC 6-1.1-8.5-8, AS AMENDED BY P.L.154-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 8. (a) For purposes of: ~~the~~

(1) a general reassessment under IC 6-1.1-4-4;

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

(3) a new assessment;

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

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

(1) A county assessor.

(2) An assessing official.

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

SECTION 24. IC 6-1.1-8.7-3, AS AMENDED BY P.L.113-2010, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 3. (a) ~~Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4,~~ Two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township. ~~for that general reassessment.~~

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

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

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

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

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

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

SECTION 26. IC 6-1.1-12-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 23. The deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following the rehabilitation and shall continue for the taxes first due and payable in the following five (5) years. In the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the property. Any:

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

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

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

SECTION 27. IC 6-1.1-12.1-4, AS AMENDED BY HEA 1009-2012, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

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

(2) either of the following:

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

(B) A percentage determined under section 17 of this chapter if the designating body elects to use an alternative abatement schedule provided under section 17 of this chapter.

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

(1) If:

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

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

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

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

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

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners

who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	80%
3rd	60%
4th	40%
5th	20%

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

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

(7) For deductions allowed over a seven (7) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%

(8) For deductions allowed over an eight (8) year period:

YEAR OF DEDUCTION	PERCENTAGE

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

SECTION 28. 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.

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

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

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

(2) An estimate of the number of individuals who will be

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The designating body shall determine the number of years for

which a property owner is entitled to a deduction under this section. However, subject to section 15 of this chapter, the deduction may not be allowed for more than two (2) years. This determination shall be made:

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

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

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

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

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

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

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

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

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

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

(1) If:

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

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

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

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

(k) The maximum amount of a deduction under this section may not exceed the lesser of:

(1) the annual amount for which the eligible vacant building was

offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or

(2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.

(l) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 29. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

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

(1) develops, redevelops, or rehabilitates the real property; and

(2) creates or retains employment from the development, redevelopment, or rehabilitation;

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

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

(1) two million dollars ($2,000,000); or

(2) the product of:

(A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by

(B) the percentage from the following table:

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

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

(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and

(2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

(1) make the deductions; and

(2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

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

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

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

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

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

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

SECTION 30. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. **(a)** A county assessor shall inquire into the assessment of the classes of tangible property in the various townships of the county after March 1 in the year in which ~~the~~ **a** general reassessment **under IC 6-1.1-4-4** becomes effective. The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in and between the various townships of the county. In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in and between the townships of the county.

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

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

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

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

represent different political parties are not published in the county.

SECTION 32. IC 6-1.1-15-4, AS AMENDED BY P.L.219-2007, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may correct any errors that may have been made and adjust the assessment or exemption in accordance with the correction.

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

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

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

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

(2) for parties entitled to appeal the final determination, notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

may:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

subsection, under the seal of the board of county commissioners, to:

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

(2) the department of local government finance.

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

(f) The county auditor is not required to hold a public hearing under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

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

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

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

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

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

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

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

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

STEP SIX: Determine the greater of the following:

(A) Zero (0).

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

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

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

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

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

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

SECTION 35. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13. (a) The maximum property tax rate levied under IC 20-46-6 by each school corporation for the school corporation's capital projects fund must be adjusted each year to account for the change in assessed value of real property that results from:

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

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

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

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

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

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

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

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

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

STEP SIX: Determine the greater of the following:

(A) Zero (0).

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

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

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

SECTION 36. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.172-2011, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section

3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

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

(2) the excess, if any, of:

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

IC 3-11-6-9;
IC 8-16-3;
IC 8-16-3.1;
IC 8-22-3-25;
IC 14-27-6-48;
IC 14-33-9-3;
IC 16-22-8-41;
IC 16-22-5-2 through IC 16-22-5-15;
IC 16-23-1-40;
IC 36-8-14;
IC 36-9-4-48;
IC 36-9-14;
IC 36-9-14.5;
IC 36-9-15;
IC 36-9-15.5;
IC 36-9-16;
IC 36-9-16.5;
IC 36-9-17;
IC 36-9-26;
IC 36-9-27-100;
IC 36-10-3-21; or
IC 36-10-4-36;

that are first due and payable during the ensuing calendar year; over

(B) the property taxes imposed by the city, town, or county under the authority of the citations listed in clause (A) that were first due and payable during calendar year 1984.

(b) The maximum property tax rate levied under the statutes listed in subsection (a) must be adjusted each year to account for the change in assessed value of real property that results from:

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

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

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

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

formula:

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

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

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

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

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

STEP SIX: Determine the greater of the following:

(A) Zero (0).

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

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

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

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

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

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

SECTION 37. IC 6-1.1-18.5-10, AS AMENDED BY P.L.182-2009(ss), SECTION 128, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 10. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing

unit to be used to fund:

(1) community mental health centers under:

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

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

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

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

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

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

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

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

(2) one (1).

(d) For a county that:

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

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

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

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

SECTION 38. IC 6-1.1-18.5-13, AS AMENDED BY SEA 115-2012, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under section 12 of this chapter, the department may find that a civil taxing unit should receive any one (1) or more of the following types of relief:

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

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

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

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

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

(B) the cost of supplies; and

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

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

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property ~~or the initial annual adjustment of the assessed value of real property under~~

~~IC 6-1.1-4-4.5~~ **under IC 6-1.1-4-4** does not first become effective.

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

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

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

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

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

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

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

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

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

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

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

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

(4) A levy increase may not be granted under this subdivision for property taxes first due and payable after December 31, 2008.

Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

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

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

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

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

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

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

valuation; and

(B) the township needs the increase to meet the costs of providing township assistance under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's township assistance ad valorem property tax rate of one and sixty-seven hundredths cents ($0.0167) per one hundred dollars ($100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars ($100) of assessed valuation before the increase.

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

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

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

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

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

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred seventy thousand (170,000) but less than one hundred seventy-five thousand (175,000);

(ii) a city having a population of more than sixty-five thousand (65,000) but less than seventy thousand (70,000);

(iii) a city having a population of more than twenty-nine thousand five hundred (29,500) but less than twenty-nine thousand six hundred (29,600);

(iv) a city having a population of more than thirteen thousand four hundred fifty (13,450) but less than thirteen thousand five hundred (13,500); or

(v) a city having a population of more than eight thousand seven hundred (8,700) but less than nine thousand (9,000); and

(B) the increase is necessary to provide funding to undertake

removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

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

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

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

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

(i) was issued by a federal district court; and

(ii) has not been terminated;

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

(i) American Correctional Association Jail Construction Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

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

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

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

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

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

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

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

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

purpose other than property tax relief.

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

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

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

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

(2) the sum of:

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

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

SECTION 39. IC 6-1.1-22.5-6, AS AMENDED BY P.L.89-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 6. (a) This section applies to property taxes payable under this article on assessments determined for the 2003 assessment date or the assessment date in any later year, **regardless of whether a proceeding to determine the necessity of a reassessment is being conducted under IC 6-1.1-4-5, IC 6-1.1-4-9, or another law.** The county treasurer shall use a provisional statement under this chapter if the county auditor fails to deliver the abstract for that assessment date to the county treasurer under IC 6-1.1-22-5 before March 16 of the year following the assessment date (for property taxes first due and payable before 2011) or April 1 of the year following the assessment date (for property taxes first due and payable after 2010). The amount to be billed for each installment of the provisional

statement is the amount determined under section 9 of this chapter. **The billing must be based on the latest assessed values for property certified by the department of local government finance, as adjusted under the procedures specified by the department of local government finance.**

(b) The county treasurer shall give notice of the provisional statement, including disclosure of the method that is to be used in determining the tax liability to be indicated on the provisional statement, by publication one (1) time:

(1) in the form prescribed by the department of local government finance; and

(2) in the manner described in IC 6-1.1-22-4(b).

The notice may be combined with the notice required under section 10 of this chapter.

(c) Subsection (a) applies regardless of whether the county auditor fails to deliver the abstract as provided in IC 6-1.1-22-5(b). Section 7 of this chapter does not apply to this section.

(d) This subsection applies after June 30, 2009. Immediately upon determining to use provisional statements under subsection (a), the county treasurer shall give notice of the determination to the county fiscal body (as defined in IC 36-1-2-6).

(e) In a county in which an authorizing ordinance is adopted under IC 6-1.1-22-8.1(h), a person may direct the county treasurer to transmit a provisional statement by electronic mail under IC 6-1.1-22-8.1(h).

(f) The department of local government finance may waive the requirement under subsection (a) that a provisional statement must be used for property taxes first due and payable in a calendar year, if:

(1) the county fiscal body or the county treasurer requests the waiver; and

(2) the department of local government finance determines that:

(A) the county will be able to send a property tax statement under IC 6-1.1-22 with a due date that is not later than June 10 of that calendar year; or

(B) the failure to send a property tax statement under IC 6-1.1-22 in a timely manner is due to a change by the county in computer software, and the county will be able to send a property tax statement under IC 6-1.1-22 with a due date that is not later than June 10 of that calendar year.

SECTION 40. IC 6-1.1-22.5-20, AS AMENDED BY P.L.182-2009(ss), SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. For purposes of a provisional statement under section 6 of this chapter, the department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to **do any of the following:**

(1) Provide a methodology for a county treasurer to issue provisional statements with respect to real property, taking into account new construction of improvements placed on the real property, damage, and other losses related to the real property:

~~(1)~~ **(A)** after March 1 of the year preceding the assessment date to which the provisional statement applies; and

~~(2)~~ **(B)** before the assessment date to which the provisional statement applies.

(2) Carry out IC 6-1.1-22.6.

SECTION 41. IC 6-1.1-22.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 22.6. Resolution of Multi-Year Delay in Issuance of Tax Bills

Sec. 1. As used in this chapter, "covered county" refers to a county that is subject to this chapter.

Sec. 2. As used in this chapter, "delayed property taxes" refers to the following:

(1) Property taxes imposed for a year preceding the year in which the county qualifies as a covered county, if the covered county issued a reconciliation statement for the year in which the county qualifies as a covered county.

(2) Property taxes for which a covered county is behind in issuing property tax bills on February 1 in the year that the county qualifies as a covered county.

(3) Property taxes imposed for an assessment date that occurs before the county ceases to be a covered county under section 15 of this chapter.

Sec. 3. As used in this chapter, "eligible taxing unit" refers to the following:

(1) A city.

(2) A town.

(3) A school corporation.

(4) A library district.

Sec. 4. As used in this chapter, "executive" has the meaning set forth in IC 36-1-2-5.

Sec. 5. As used in this chapter, "department" refers to the department of local government finance.

Sec. 6. As used in this chapter, "property tax bill" refers to:

(1) a property tax statement required by IC 6-1.1-22-8.1; or

(2) a reconciling statement;

that conforms to law.

Sec. 7. As used in this chapter, "property taxes" has the meaning set forth in IC 6-1.1-22.5-3.

Sec. 8. As used in this chapter, "provisional statement" has the meaning set forth in IC 6-1.1-22.5-2.

Sec. 9. As used in this chapter, "reconciling statement" has the meaning set forth in IC 6-1.1-22.5-4.

Sec. 10. As used in this chapter, "settlement date" refers to a settlement date specified in IC 6-1.1-27-1.

Sec. 11. As used in this chapter, "special master" refers to an individual or entity employed under this chapter to carry out substantially all of the duties of the county auditor, county treasurer, or county assessor, or any combination of these offices, necessary to issue property tax bills in each year that the county is a covered county, including the year in which the county ceases to be a covered county.

Sec. 12. As used in this chapter, "tax anticipation warrant or obligation" refers to a loan or other evidence of indebtedness issued by a taxing unit in anticipation of the collection of delayed property taxes due to the taxing unit, including evidences of indebtedness with a term of more than one (1) year and debt refunding loans or other evidences of indebtedness issued by a taxing unit in anticipation of the collection of delayed property taxes due to the taxing unit.

Sec. 13. A county becomes subject to this chapter if, in a year after December 31, 2011, the county is at least three (3) years behind in issuing property tax bills on February 1 of that year.

Sec. 14. The general assembly finds that LaPorte County qualified as a county subject to this chapter on February 1, 2012.

Sec. 15. Subject to section 16 of this chapter, a county ceases to be subject to this chapter in the year after the county:

(1) ceases to be behind in issuing property tax bills for all previous years; and

(2) issues a property tax bill for property taxes due that would ordinarily be due in the current year before April 26 of the current year.

Sec. 16. The termination of a county's status as a covered county does not relieve the county from making the payments required under section 18 of this chapter.

Sec. 17. (a) The county treasurer of a covered county shall accept payment of property taxes and special assessments made by debit card, bank card, credit card, or electronic transfer.

(b) The county treasurer of a covered county, or another appropriate official of the covered county, shall contract with a debit card, bank card, credit card, or electronic transfer vendor for acceptance of debit cards, bank cards, credit cards, or electronic transfers for the receipt of tax collections for delayed property taxes. However, if there is a vendor transaction charge, discount fee, or other charge, whether billed to the covered county or charged directly to an account of the covered county, the covered county or the card or electronic payment service vendor may collect a fee from any person using the bank or credit card. The fee is a permitted additional charge under IC 24-4.5-3-202.

(c) This section shall not be construed as limiting the authority of a county to accept payment by debit card, bank card, credit card, or electronic transfer.

Sec. 18. (a) Subject to subsection (b), a covered county shall set aside in a separate fund on the schedule specified by the department from the funds specified by the department, one million dollars ($1,000,000) for each consecutive year that the county experienced delayed property taxes described in section 2(1) or 2(2) of this chapter before the year in which the county qualifies as a covered county. The Indiana bond bank shall establish the schedule on which the covered county must set aside money under this section.

(b) The amount that must be set aside under subsection (a) for a particular year that the county experienced delayed property

taxes is reduced:

(1) to zero (0), if all reconciliation statements for the delayed property taxes covered by subsection (a) and not previously billed are mailed or otherwise transmitted to taxpayers before January 31 of the year immediately following the year that the county becomes a covered county; and

(2) by seventy-five percent (75%), if all reconciliation statements for delayed property taxes covered by subsection (a) and not previously billed are mailed or otherwise transmitted to taxpayers before March 1 of the year immediately following the year that the county becomes a covered county.

(c) The amount set aside under this section for a particular year in which eligible taxing units experienced delayed property taxes shall be used to compensate eligible taxing units for:

(1) interest and other costs incurred by an eligible taxing unit for issuing anticipation warrants or other obligations to fund the eligible taxing unit's operating and capital requirements during a period in which the eligible taxing unit experienced delayed property tax collections; and

(2) interest, at the adjusted rate for the period determined under IC 6-8.1-10-1, on the amount of the delayed property taxes not received by the eligible taxing unit, if the eligible taxing unit self-funded its operating and capital requirements during a period in which the eligible taxing unit experienced delayed property tax collections rather than issue anticipation warrants or other obligations.

(d) The Indiana bond bank or a person or entity designated by the Indiana bond bank shall establish a procedure for determining the amount that is to be distributed to each eligible taxing unit under this section. The procedure must include at least one (1) public hearing in the covered county.

(e) The county auditor of a covered county shall distribute the amount set aside under this section for a particular year among eligible taxing units according to a formula or amount prescribed by the Indiana bond bank or the person or entity designated by the Indiana bond bank.

(f) The amount due to an eligible taxing unit under this section to compensate the eligible taxing unit for delayed property tax collections in a particular year shall be distributed in eight (8) equal installments. Each installment shall be paid on a consecutive settlement date following the date the Indiana bond bank or the person or entity designated by the Indiana bond bank determines the amount to be distributed to the eligible taxing unit.

(g) Any amount set aside under this section that exceeds the amount that the Indiana bond bank or a person or entity designated by the Indiana bond bank requires the covered county to distribute to eligible taxing units shall be transferred back to the funds from which the money was set aside in accordance with the directions of the Indiana bond bank or a person or entity designated by the Indiana bond bank.

(h) An eligible taxing unit, the county auditor and county treasurer of a covered county, and any special master appointed under this chapter shall provide the Indiana bond bank or a person or entity designated by the Indiana bond bank with the information required by the Indiana bond bank or a person or entity designated by the Indiana bond bank to carry out this section.

(i) An amount set aside under this section for distribution to eligible taxing units reduces the amount available to the county governmental unit for other expenditures. The county governmental unit may not impose an additional property tax levy to replace the lost revenue.

Sec. 19. An eligible taxing unit shall apply interest received under section 18 of this chapter:

(1) first, to pay or reimburse a fund for the payment of costs and interest incurred on tax anticipation warrants or obligations issued in anticipation of delayed property taxes; and

(2) thereafter, to obligations that would otherwise require the eligible taxing unit to impose a property tax to pay, as required by the Indiana bond bank or a person or entity designated by the Indiana bond bank.

Sec. 20. (a) Subject to the approval of the department, a county executive of a covered county may employ one (1) or more special masters and the number of deputy special masters needed by the special masters to carry out substantially all of the duties of:

(1) the county auditor;

(2) the county treasurer; or

(3) the county assessor;

or any combination of these offices, as is necessary to issue property tax bills in each year that the county is a covered county, including the year that the county ceases to be a covered county.

(b) The department may:

(1) as a condition of approving the contract, require that the department must be a party to the employment contract and any addendum to the employment contract;

(2) specify the scope of a special master's duties; and

(3) set standards for the selection and conduct of the special master.

However, to expedite the selection of a special master, the county executive may purchase the services of a special master and deputy special masters using any procedure permitted under IC 5-22-6-1.

(c) If the duties of the county auditor, the county treasurer, and the county assessor are assigned to one (1) or more special masters under this section, the assignment of duties shall be delegated among different individuals in such a manner as to maintain adequate accounting internal controls.

Sec. 21. No contract shall be made with any special master before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one

(1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county. If only one (1) newspaper is published in the county, notice in that one (1) newspaper is sufficient to comply with the requirements of this section. The contract shall be awarded to the lowest and best bidder who meets all requirements under law and all standards specified by the department for entering a contract to serve as special master. However, any and all bids may be rejected, and new bids may be asked.

Sec. 22. (a) The county fiscal body of a covered county shall appropriate the funds needed to meet the obligations created by a special master's contract.

(b) The county executive of a covered county shall provide the space and all necessary supplies needed to meet the obligations created by a special master's contract.

Sec. 23. A special master has the powers of a county auditor within the scope of the special master's duties, including the power to employ deputy special masters and terminate employment.

Sec. 24. The county auditor, the county treasurer, the county assessor, and all other officials and employees of a covered county shall provide assistance to a special master, as requested by the special master or the special master's deputies.

Sec. 25. The county council of a covered county may grant a tax credit not exceeding two percent (2%) of delayed property taxes due on a reconciliation statement on any amount of delayed property taxes paid within thirty (30) regular business days after the county treasurer mails or otherwise transmits the property tax bill for the delayed property taxes to the taxpayer or other person authorized to receive the property tax bill. The amount of the credit reduces the amount to be distributed to each taxing unit that imposed the delayed property taxes in proportion to the amount due to each taxing unit. A taxing unit shall allocate the amount of the lost revenue to every fund in proportion to the delayed property taxes due from the property tax bill, other than a debt service fund.

Sec. 26. (a) The department may prescribe forms, adopt emergency rules under IC 6-1.1-22.5-20, issue administrative orders, set deadlines and other timetables for required activities, and issue interpretive bulletins to carry out this chapter, including rules, orders, and bulletins related to the scope of the duties to be performed by a special master under this chapter.

(b) Notwithstanding any other law, the department shall require that:

(1) trending and other adjustments to the assessed value of real property under IC 6-1.1-4-4.5 be applied separately to each assessment date subject to this chapter with the resulting assessments rolled over to be used as the valuation that is adjusted for the following assessment date;

(2) the information required to be submitted to the department or the legislative services agency, or both, under IC 6-1.1-4-18.5, IC 6-1.1-4-19.5, IC 6-1.1-4-25, IC 6-1.1-5.5-3,

IC 6-1.1-11-8, IC 6-1.1-31.5-3.5, IC 6-1.1-33.5-3, or IC 36-2-9-20 be submitted separately for each assessment date subject to this chapter not later than sixty (60) days after the information becomes available to the local official possessing the information;

(3) a homestead eligible for a standard deduction under IC 6-1.1-12-37 on which payments on a reconciliation statement subject to this section are delinquent, including an installment payment under IC 6-1.1-22.5-18.5, may not be placed on a list for tax sale for at least twelve (12) months after the payment, including an installment payment under IC 6-1.1-22.5-18.5, is otherwise due;

(4) the period in which property eligible for a deduction or credit provided by law for an assessment date for which delayed property taxes are imposed is extended to the later of July 1 in the year in which the county becomes a covered county or a date that is forty-five (45) days after the reconciliation statement for those taxes is mailed or otherwise transmitted under IC 6-1.1-22.5-12, and that the current owner of the property may file the application for the deduction or credit;

(5) the current owner of property may file a petition under IC 6-1.1-15 for an assessment date for which delayed property taxes are due and payable under a reconciliation statement issued by a covered county as provided in this chapter; and

(6) the fiscal body of a covered county shall establish an installment payment plan in accordance with IC 6-1.1-22.5-18.5 under which taxpayers are required to pay delayed property taxes either:

(A) by paying the delayed property taxes over an installment period (of at least six (6) months) determined by the county fiscal body; or

(B) by making a single payment of the delayed property taxes after the end of a period (of at least six (6) months) determined by the county fiscal body;

as specified by ordinance of the county fiscal body. The fiscal body of a covered county may adopt an ordinance under IC 6-1.1-22.5-18.5 extending the installment period or the due date of the single payment.

Reconciliation statements issued by a covered county after March 15, 2012, must include a statement in at least 10-point bold type that explains a taxpayer's rights under subdivision (4) to file a deduction or credit application. Any overpayment of delayed property taxes that result after the application of a deduction or credit granted after the payment of the delayed property taxes shall be first applied without the filing of a claim under IC 6-1.1-26. The county treasurer shall apply the excess payment first to any delinquent property taxes owed by the taxpayer who owned the property in the year to which the credit or deduction applies, and, second, as a credit against property taxes for the affected property that become first due and payable after the

excess payment is determined.

(c) Subject to the requirements of this chapter, the department may set schedules and take other actions necessary or appropriate to provide for the earliest possible issuance of property tax bills for the collection of delayed property taxes and a return to a normal collection cycle for property taxes in covered counties.

Sec. 27. This chapter expires December 31, 2016.

SECTION 42. IC 6-1.1-28-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's duties are complete.

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

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

SECTION 43. IC 6-1.1-30-17, AS ADDED BY P.L.146-2008, SECTION 268, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Except as provided in subsection (c) and subject to subsection (d), the department of state revenue and the auditor of state shall, when requested by the department of local government finance, withhold a percentage of the distributions of county adjusted gross income tax distributions under IC 6-3.5-1.1, county option income tax distributions under IC 6-3.5-6, or county economic development income tax distributions under IC 6-3.5-7 that would otherwise be distributed to the county under the schedules in IC 6-3.5-1.1-10, IC 6-3.5-1.1-21.1, IC 6-3.5-6-17, IC 6-3.5-6-17.3, IC 6-3.5-7-16, and IC 6-3.5-7-17.3, if:

(1) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(2) the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25;

(3) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure form data under IC 6-1.1-5.5-3;

(5) the county auditor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(6) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(7) the county does not maintain a certified computer system that meets the requirements of IC 6-1.1-31.5-3.5;

(8) the county auditor has not transmitted the data described in IC 36-2-9-20 to the department of local government finance in the form and on the schedule specified by IC 36-2-9-20;

(9) the county has not established a parcel index numbering system under 50 IAC 23-8-1 in a timely manner; ~~or~~

(10) a county official has not provided other information to the department of local government finance in a timely manner as required by the department of local government finance; **or**

(11) the department of local government finance incurs additional costs to assist a covered county (as defined in IC 6-1.1-22.6-1) to issue tax statements within the time frame specified in IC 6-1.1-22.6-18(b) for each year that the county experienced delayed property taxes (as defined in IC 6-1.1-22.6-2) before the year in which the county qualifies as a covered county.

The percentage to be withheld is the percentage determined by the department of local government finance. **However, the percentage withheld for a reason stated in subdivision (11) may not exceed the percentage needed to reimburse the department of local government finance for the costs incurred by the department of local government finance to take the actions necessary to permit a covered county (as defined in IC 6-1.1-22.6-1) to issue reconciling tax statements for prior year delayed property taxes (as defined in IC 6-1.1-22.6-2) within the time frame specified in IC 6-1.1-22.6-18(b). The county governmental taxing unit of a covered county (as defined in IC 6-1.1-22.6-1) shall reimburse the department of local government finance for these expenses. The amount withheld under subdivision (11) reduces only the amount that would otherwise be distributed to the county governmental taxing unit of a covered county (as defined in IC 6-1.1-22.6-1) and not money distributable to any other political subdivision. The withholding of an amount under subdivision (11) does not relieve the county government of a covered county (as defined in IC 6-1.1-22.6-1) from making bond or lease payments that would otherwise be paid from withheld amounts or providing property tax credits that would otherwise be provided under IC 6-3.5 from withheld amounts. Subdivision (11) does not apply to any county other than a covered county (as defined in IC 6-1.1-22.6-1).**

(b) Except as provided in subsection (e), money not distributed for the reasons stated in subsection (a) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(c) The restrictions on distributions under subsection (a) do not apply if the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(d) The department of local government finance shall give the county auditor at least thirty (30) days notice in writing before the department of state revenue or the auditor of state withholds a distribution under subsection (a).

(e) Money not distributed for the reason stated in subsection (a)(3) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (b).

(f) This subsection applies to a county that will not receive a distribution under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7. At the request of the department of local government finance, an amount permitted to be withheld under subsection (a) may be withheld from any state revenues that would otherwise be distributed to the county or one (1) or more taxing units in the county.

SECTION 44. IC 6-1.1-31-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 9. (a) Except as provided in subsection (b), the department of local government finance may not adopt rules for the appraisal of real property:

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

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

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

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

SECTION 45. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) IC 6-1.1-14.

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

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the assessment of property under this chapter.

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

(1) cause the assessment of the property to be adjusted;

(2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and

(3) notify the taxpayer as required under IC 6-1.1-14.

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

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

SECTION 46. IC 6-1.1-34-1, AS AMENDED BY P.L.182-2009(ss), SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 1. In the year after:

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

(2) a reassessment cycle of real property under a county's reassessment plan prepared under IC 6-1.1-4-4.2 is completed;

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

SECTION 47. IC 6-1.1-34-7, AS AMENDED BY P.L.182-2009(ss), SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 7. (a) Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new

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

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

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

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

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

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

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

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

SECTION 48. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008, SECTION 296, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to

the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of industrial development programs in, or serving, that economic development district. The amount not paid into the special fund shall be paid to the respective units in the manner prescribed by subdivision (1).

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

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

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

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

(2) the base assessed value.

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

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

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

(2) the base assessed value.

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

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

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

the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~

reassessment on the property tax proceeds allocated to the district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1.

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

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

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

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

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

(1) 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 (f); plus

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

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

SECTION 49. IC 6-1.1-42-28, AS AMENDED BY P.L.219-2007, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 28. (a) Subject to this section and section 34 of this chapter, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

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

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

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

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

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

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

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%

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

(1) If a:

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

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

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

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

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

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

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

(B) has contributed;

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

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

SECTION 50. IC 33-26-8-1, AS AMENDED BY P.L.1-2007, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 1. As used in this chapter,

"contractor" means a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment contractor of the department of local government finance under IC 6-1.1-4-32 (repealed).

SECTION 51. IC 33-26-8-3, AS AMENDED BY P.L.1-2007, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 3. As used in this chapter, "qualifying official" refers to any of the following:

(1) A county assessor of a qualifying county.

(2) A township assessor of a qualifying county.

(3) The county auditor of a qualifying county.

(4) The treasurer of a qualifying county.

(5) The county surveyor of a qualifying county.

(6) A member of the land valuation committee in a qualifying county.

(7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a ~~general~~ reassessment, ~~general~~ reassessment review, or special reassessment of property to which IC 6-1.1-4-32 (repealed) applies, including information in the possession or control of an employee or a contractor of the official.

(8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32 (repealed).

SECTION 52. IC 36-2-7-13, AS AMENDED BY P.L.146-2008, SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in ~~general~~ reassessment activities **under IC 6-1.1-4-4 or under a reassessment plan prepared under IC 6-1.1-4-4.2.** This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county.

SECTION 53. IC 36-6-8-5, AS AMENDED BY P.L.146-2008, SECTION 717, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 5. (a) When performing the real property reassessment duties ~~prescribed by IC 6-1.1-4,~~ **under IC 6-1.1-4-4 or a county's reassessment plan prepared under IC 6-1.1-4-4.2,** a township assessor may receive per diem compensation, in addition to salary, at a rate fixed by the county fiscal body, for each day that the assessor is engaged in reassessment activities.

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

SECTION 54. IC 36-7-14-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 13. (a) Within thirty (30) days after the close of each calendar year, the redevelopment commissioners shall file with the unit's executive a report setting out their activities during the preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting

commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, **an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission,** the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained.

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

(d) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format under IC 5-14-6.

SECTION 55. IC 36-7-14-39, AS AMENDED BY P.L.203-2011, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 39. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory

resolution establishing a redevelopment project area expires after June 30, 1997; and

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

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

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

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the 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 allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease

rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into 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 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 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 commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

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

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

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

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

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

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

(3) At least one (1) year before the date of an allocation deadline

determined under subdivision (2), the general assembly may enact a law that:

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

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

SECTION 56. IC 36-7-15.1-26, AS AMENDED BY P.L.203-2011, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 26. (a) As used in this section:

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

"Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

(4) Except as provided in subdivision (5), for all other allocation

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

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the 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 26.2 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 resolution adopted under section 8 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 resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes

subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

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

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

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

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

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

(i) in the allocation area; and

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

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

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

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

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

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

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

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who

are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection

(b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

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

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

(A) Businesses operating in the enterprise zone.

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

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

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

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

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

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

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

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

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

SECTION 57. IC 36-7-15.1-36.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: **Sec. 36.3. (a) Within thirty (30) days after the close of each calendar year, the commission shall file with the mayor a report setting out the commission's activities during the preceding calendar year.**

(b) The report required by subsection (a) must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commission and the results obtained.

(c) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format under IC 5-14-6.

SECTION 58. IC 36-7-15.1-53, AS AMENDED BY P.L.203-2011, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 53. (a) As used in this section:

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

"Base assessed value" means:

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

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

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

(b) A resolution adopted under section 40 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 resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision must be approved by resolution of the legislative body of the excluded city and must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the first obligation was incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

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

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

(B) the base assessed value;

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

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

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

of the following:

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

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

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

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

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

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

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

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

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

(i) in the allocation area; and

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

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

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

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

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

multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

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

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

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

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

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

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

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

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

(A) Businesses operating in the enterprise zone.

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

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

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment **of real property in an area under IC 6-1.1-4-4 or reassessment under a county's reassessment plan prepared** under ~~IC 6-1.1-4,~~ **IC 6-1.1-4-4.2,** the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area** on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under

IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, **reassessment under the county's reassessment plan,** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

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

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

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

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

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

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

SECTION 59. IC 36-7-30-25, AS AMENDED BY P.L.203-2011, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 25. (a) The following definitions apply throughout this section:

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

(2) "Base assessed value" means:

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

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

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

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

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

property.

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

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

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

(B) the base assessed value;

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

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

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

(A) Pay the principal of and interest and redemption premium on any obligations incurred by the military base reuse district or any other entity for the purpose of financing or refinancing military base reuse activities in or directly serving or benefiting that allocation area.

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

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

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

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

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

(i) in the allocation area; and

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

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

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

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

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (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 unit that established the reuse authority, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

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

(ii) state that the reuse authority has determined that there are no excess property tax proceeds 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 property tax proceeds determined by the reuse authority. The reuse 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 (3) or lessors under section 19 of this chapter.

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

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

(2) the base assessed value.

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

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

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

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

(2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and

employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment **of real property in an area under IC 6-1.1-4-4 or reassessment under the county's reassessment plan** under ~~IC 6-1.1-4,~~ **IC 6-1.1-4-4.2,** the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area** on the property tax proceeds allocated to the military base reuse district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(3) than would otherwise have been received if the general reassessment, **reassessment under the county's reassessment plan,** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 60. IC 36-7-30.5-30, AS AMENDED BY HEA 1009-2012, SECTION 246, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 30. (a) The following definitions apply throughout this section:

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

(2) "Base assessed value" means:

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

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

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

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

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

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

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

(B) the base assessed value;

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

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

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

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

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

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

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

directly serving or benefiting that allocation area.

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

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

STEP TWO: Divide:

(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; by

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

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

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

(i) in the allocation area; and

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

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

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

development authority.

(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(3) plus the amount necessary for other purposes described in 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 (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 (before its repeal).

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

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

(2) the base assessed value.

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

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

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

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

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

(2) the base assessed value.

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

(h) After each general reassessment **of real property in an area under IC 6-1.1-4-4 or reassessment under a reassessment plan prepared** under ~~IC 6-1.1-4,~~ **IC 6-1.1-4-4.2,** the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the ~~general~~ reassessment **of the real property in the area** on the property tax proceeds allocated to the military base development district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments

may not produce less property tax proceeds allocable to the military base development district under subsection (b)(3) than would otherwise have been received if the general reassessment, **reassessment under the county's reassessment plan,** or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 61. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2013]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the implementation of an allocation area under this chapter.

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

SECTION 62. **An emergency is declared for this act.**

(Reference is to ESB 19 as reprinted February 28, 2012.)

Conference Committee Report
on
Engrossed Senate Bill 19

Signed by:

Senator Boots Chairperson	Representative Thompson
Senator Broden	Representative Pelath
Senate Conferees	**House Conferees**