

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	0

MR. SPEAKER:

Your Committee on Government and Regulatory Reform, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Delete committee amendment AM111604 adopted February 12,
- 2 2013.
- 3 Page 2, delete lines 23 through 42.
- 4 Page 3, delete lines 1 through 36.
- 5 Page 7, line 33, reset in roman "a public library".
- 6 Page 7, line 34, reset in roman "or".
- 7 Page 8, line 4, strike "However, in the case of a public library that
- 8 is subject to this".
- 9 Page 8, strike lines 5 through 10.
- 10 Page 8, delete lines 31 through 42.
- 11 Delete pages 9 through 10.
- 12 Page 11, delete lines 1 through 41.
- 13 Page 15, between lines 18 and 19, begin a new paragraph and insert:
- 14 "SECTION 9. IC 6-1.1-18.5-13, AS AMENDED BY P.L.112-2012,
- 15 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 16 JULY 1, 2013]: Sec. 13. (a) With respect to an appeal filed under

1 section 12 of this chapter, the department may find that a civil taxing
2 unit should receive any one (1) or more of the following types of relief:

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

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

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

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

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

37 (B) the cost of supplies; and

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

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

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

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

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

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

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

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

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

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

37 (ii) for a particular calendar year after 2006, the total
38 assessed value of property tax deductions that applied in all

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

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

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

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

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

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

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

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

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

37 (ii) the amount of any additional appropriations authorized
38 during that calendar year for the civil taxing unit's use in

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

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

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

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

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

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

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

28 (A) the civil taxing unit is:

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

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

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

37 (iv) a city having a population of more than thirteen
 38 thousand four hundred fifty (13,450) but less than thirteen

- 1 thousand five hundred (13,500); or
 2 (v) a city having a population of more than eight thousand
 3 seven hundred (8,700) but less than nine thousand (9,000);
 4 and
 5 (B) the increase is necessary to provide funding to undertake
 6 removal (as defined in IC 13-11-2-187) and remedial action
 7 (as defined in IC 13-11-2-185) relating to hazardous
 8 substances (as defined in IC 13-11-2-98) in solid waste
 9 disposal facilities or industrial sites in the civil taxing unit that
 10 have become a menace to the public health and welfare.
- 11 The maximum increase that the local government tax control
 12 board may recommend for such a civil taxing unit is the levy that
 13 would result from a property tax rate of six and sixty-seven
 14 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 15 of assessed valuation. For purposes of computing the ad valorem
 16 property tax levy limit imposed on a civil taxing unit under
 17 section 3 of this chapter, the civil taxing unit's ad valorem
 18 property tax levy for a particular year does not include that part of
 19 the levy imposed under this subdivision. In addition, a property
 20 tax increase permitted under this subdivision may be imposed for
 21 only two (2) calendar years.
- 22 (9) A levy increase may not be granted under this subdivision for
 23 property taxes first due and payable after December 31, 2008.
 24 Permission for a county:
- 25 (A) having a population of more than eighty thousand (80,000)
 26 but less than ninety thousand (90,000) to increase the county's
 27 levy in excess of the limitations established under section 3 of
 28 this chapter, if the local government tax control board finds
 29 that the county needs the increase to meet the county's share of
 30 the costs of operating a jail or juvenile detention center,
 31 including expansion of the facility, if the jail or juvenile
 32 detention center is opened after December 31, 1991;
- 33 (B) that operates a county jail or juvenile detention center that
 34 is subject to an order that:
 35 (i) was issued by a federal district court; and
 36 (ii) has not been terminated;
- 37 (C) that operates a county jail that fails to meet:
 38 (i) American Correctional Association Jail Construction

- 1 Standards; and
2 (ii) Indiana jail operation standards adopted by the
3 department of correction; or
4 (D) that operates a juvenile detention center that fails to meet
5 standards equivalent to the standards described in clause (C)
6 for the operation of juvenile detention centers.

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

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

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

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

15 ~~(12)~~ **(11)** Permission to a city having a population of more than
 16 thirty-one thousand five hundred (31,500) but less than thirty-one
 17 thousand seven hundred twenty-five (31,725) to increase its levy
 18 in excess of the limitations established under section 3 of this
 19 chapter if:

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

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

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

31 ~~(13)~~ **(12)** A levy increase may be granted under this subdivision
 32 only for property taxes first due and payable after December 31,
 33 2008. Permission to a civil taxing unit to increase its levy in
 34 excess of the limitations established under section 3 of this
 35 chapter if the civil taxing unit cannot carry out its governmental
 36 functions for an ensuing calendar year under the levy limitations
 37 imposed by section 3 of this chapter due to a natural disaster, an
 38 accident, or another unanticipated emergency.

1 ~~(14)~~ **(13)** Permission to Jefferson County to increase its levy in
 2 excess of the limitations established under section 3 of this
 3 chapter if the department finds that the county experienced a
 4 property tax revenue shortfall that resulted from an erroneous
 5 estimate of the effect of the supplemental deduction under
 6 IC 6-1.1-12-37.5 on the county's assessed valuation. An appeal for
 7 a levy increase under this subdivision may not be denied because
 8 of the amount of cash balances in county funds. The maximum
 9 increase in the county's levy that may be approved under this
 10 subdivision is three hundred thousand dollars (\$300,000).

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

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

18 (2) the sum of:

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

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

28 **(c) In calendar year 2013, the department of local government**
 29 **finance shall allow a township to increase its maximum permissible**
 30 **ad valorem property tax levy in excess of the limitations**
 31 **established under section 3 of this chapter, if the township:**

32 **(1) petitions the department for the levy increase on a form**
 33 **prescribed by the department; and**

34 **(2) submits proof of the amount borrowed in calendar year**
 35 **2012 under IC 36-6-6-14 to furnish fire protection for the**
 36 **township or a part of the township.**

37 **The maximum increase in a township's levy that may be allowed**
 38 **under this subsection is the amount borrowed by the township**

1 **under IC 36-6-6-14 in 2012. An increase allowed under this**
 2 **subsection applies to property taxes first due and payable after**
 3 **December 31, 2013."**

4 Page 15, delete lines 19 through 42, begin a new paragraph and
 5 insert:

6 "SECTION 10. IC 6-1.1-20-3.1, AS AMENDED BY P.L.198-2011,
 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2013]: Sec. 3.1. (a) This section applies only to the following:

9 (1) A controlled project (as defined in section 1.1 of this chapter
 10 as in effect June 30, 2008) for which the proper officers of a
 11 political subdivision make a preliminary determination in the
 12 manner described in subsection (b) before July 1, 2008.

13 (2) An elementary school building, middle school building, **high**
 14 **school building**, or other school building for academic instruction
 15 that:

16 (A) is a controlled project;

17 (B) will be used for any combination of kindergarten through
 18 grade 8; **12; and**

19 ~~(C)~~ will not be used for any combination of grade 9 through
 20 grade 12; and

21 ~~(D)~~ (C) will not cost more than **ten fifteen** million dollars
 22 ~~(\$10,000,000): (\$15,000,000).~~

23 ~~(3) A high school building or other school building for academic~~
 24 ~~instruction that:~~

25 ~~(A) is a controlled project;~~

26 ~~(B) will be used for any combination of grade 9 through grade~~
 27 ~~12;~~

28 ~~(C) will not be used for any combination of kindergarten~~
 29 ~~through grade 8; and~~

30 ~~(D) will not cost more than twenty million dollars~~
 31 ~~(\$20,000,000):~~

32 ~~(4) (3) Any other controlled project that:~~

33 (A) is not a controlled project described in subdivision (1) **or**
 34 (2); ~~or (3);~~ and

35 (B) will not cost the political subdivision more than the lesser
 36 of the following:

37 (i) Twelve million dollars (\$12,000,000).

38 (ii) An amount equal to one percent (1%) of the total gross

1 assessed value of property within the political subdivision
2 on the last assessment date, if that amount is at least one
3 million dollars (\$1,000,000).

4 (b) A political subdivision may not impose property taxes to pay
5 debt service on bonds or lease rentals on a lease for a controlled project
6 without completing the following procedures:

7 (1) The proper officers of a political subdivision shall:
8 (A) publish notice in accordance with IC 5-3-1; and
9 (B) send notice by first class mail to the circuit court clerk and
10 to any organization that delivers to the officers, before January
11 1 of that year, an annual written request for such notices;
12 of any meeting to consider adoption of a resolution or an
13 ordinance making a preliminary determination to issue bonds or
14 enter into a lease and shall conduct a public hearing on a
15 preliminary determination before adoption of the resolution or
16 ordinance.

17 (2) When the proper officers of a political subdivision make a
18 preliminary determination to issue bonds or enter into a lease for
19 a controlled project, the officers shall give notice of the
20 preliminary determination by:

21 (A) publication in accordance with IC 5-3-1; and
22 (B) first class mail to the circuit court clerk and to the
23 organizations described in subdivision (1)(B).

24 (3) A notice under subdivision (2) of the preliminary
25 determination of the political subdivision to issue bonds or enter
26 into a lease for a controlled project must include the following
27 information:

- 28 (A) The maximum term of the bonds or lease.
- 29 (B) The maximum principal amount of the bonds or the
30 maximum lease rental for the lease.
- 31 (C) The estimated interest rates that will be paid and the total
32 interest costs associated with the bonds or lease.
- 33 (D) The purpose of the bonds or lease.
- 34 (E) A statement that any owners of property within the
35 political subdivision or registered voters residing within the
36 political subdivision who want to initiate a petition and
37 remonstrance process against the proposed debt service or
38 lease payments must file a petition that complies with

1 subdivisions (4) and (5) not later than thirty (30) days after
2 publication in accordance with IC 5-3-1.

3 (F) With respect to bonds issued or a lease entered into to
4 open:

5 (i) a new school facility; or

6 (ii) an existing facility that has not been used for at least
7 three (3) years and that is being reopened to provide
8 additional classroom space;

9 the estimated costs the school corporation expects to incur
10 annually to operate the facility.

11 (G) A statement of whether the school corporation expects to
12 appeal for a new facility adjustment (as defined in
13 IC 20-45-1-16 (repealed) before January 1, 2009) for an
14 increased maximum permissible tuition support levy to pay the
15 estimated costs described in clause (F).

16 (H) The political subdivision's current debt service levy and
17 rate and the estimated increase to the political subdivision's
18 debt service levy and rate that will result if the political
19 subdivision issues the bonds or enters into the lease.

20 (4) After notice is given, a petition requesting the application of
21 a petition and remonstrance process may be filed by the lesser of:

22 (A) one hundred (100) persons who are either owners of
23 property within the political subdivision or registered voters
24 residing within the political subdivision; or

25 (B) five percent (5%) of the registered voters residing within
26 the political subdivision.

27 (5) The state board of accounts shall design and, upon request by
28 the county voter registration office, deliver to the county voter
29 registration office or the county voter registration office's
30 designated printer the petition forms to be used solely in the
31 petition process described in this section. The county voter
32 registration office shall issue to an owner or owners of property
33 within the political subdivision or a registered voter residing
34 within the political subdivision the number of petition forms
35 requested by the owner or owners or the registered voter. Each
36 form must be accompanied by instructions detailing the
37 requirements that:

38 (A) the carrier and signers must be owners of property or

- 1 registered voters;
- 2 (B) the carrier must be a signatory on at least one (1) petition;
- 3 (C) after the signatures have been collected, the carrier must
- 4 swear or affirm before a notary public that the carrier
- 5 witnessed each signature; and
- 6 (D) govern the closing date for the petition period.

7 Persons requesting forms may be required to identify themselves
 8 as owners of property or registered voters and may be allowed to
 9 pick up additional copies to distribute to other owners of property
 10 or registered voters. Each person signing a petition must indicate
 11 whether the person is signing the petition as a registered voter
 12 within the political subdivision or is signing the petition as the
 13 owner of property within the political subdivision. A person who
 14 signs a petition as a registered voter must indicate the address at
 15 which the person is registered to vote. A person who signs a
 16 petition as an owner of property must indicate the address of the
 17 property owned by the person in the political subdivision.

18 (6) Each petition must be verified under oath by at least one (1)
 19 qualified petitioner in a manner prescribed by the state board of
 20 accounts before the petition is filed with the county voter
 21 registration office under subdivision (7).

22 (7) Each petition must be filed with the county voter registration
 23 office not more than thirty (30) days after publication under
 24 subdivision (2) of the notice of the preliminary determination.

25 (8) The county voter registration office shall determine whether
 26 each person who signed the petition is a registered voter. The
 27 county voter registration office shall, not more than fifteen (15)
 28 business days after receiving a petition, forward a copy of the
 29 petition to the county auditor. Not more than ten (10) business
 30 days after receiving the copy of the petition, the county auditor
 31 shall provide to the county voter registration office a statement
 32 verifying:

- 33 (A) whether a person who signed the petition as a registered
- 34 voter but is not a registered voter, as determined by the county
- 35 voter registration office, is the owner of property in the
- 36 political subdivision; and
- 37 (B) whether a person who signed the petition as an owner of
- 38 property within the political subdivision does in fact own

1 property within the political subdivision.
2 (9) The county voter registration office shall, not more than ten
3 (10) business days after receiving the statement from the county
4 auditor under subdivision (8), make the final determination of the
5 number of petitioners that are registered voters in the political
6 subdivision and, based on the statement provided by the county
7 auditor, the number of petitioners that own property within the
8 political subdivision. Whenever the name of an individual who
9 signs a petition form as a registered voter contains a minor
10 variation from the name of the registered voter as set forth in the
11 records of the county voter registration office, the signature is
12 presumed to be valid, and there is a presumption that the
13 individual is entitled to sign the petition under this section. Except
14 as otherwise provided in this chapter, in determining whether an
15 individual is a registered voter, the county voter registration office
16 shall apply the requirements and procedures used under IC 3 to
17 determine whether a person is a registered voter for purposes of
18 voting in an election governed by IC 3. However, an individual is
19 not required to comply with the provisions concerning providing
20 proof of identification to be considered a registered voter for
21 purposes of this chapter. A person is entitled to sign a petition
22 only one (1) time in a particular petition and remonstrance
23 process under this chapter, regardless of whether the person owns
24 more than one (1) parcel of real property, mobile home assessed
25 as personal property, or manufactured home assessed as personal
26 property, or a combination of those types of property within the
27 subdivision and regardless of whether the person is both a
28 registered voter in the political subdivision and the owner of
29 property within the political subdivision. Notwithstanding any
30 other provision of this section, if a petition is presented to the
31 county voter registration office within forty-five (45) days before
32 an election, the county voter registration office may defer acting
33 on the petition, and the time requirements under this section for
34 action by the county voter registration office do not begin to run
35 until five (5) days after the date of the election.
36 (10) The county voter registration office must file a certificate and
37 each petition with:
38 (A) the township trustee, if the political subdivision is a

1 township, who shall present the petition or petitions to the
 2 township board; or
 3 (B) the body that has the authority to authorize the issuance of
 4 the bonds or the execution of a lease, if the political
 5 subdivision is not a township;
 6 within thirty-five (35) business days of the filing of the petition
 7 requesting a petition and remonstrance process. The certificate
 8 must state the number of petitioners that are owners of property
 9 within the political subdivision and the number of petitioners who
 10 are registered voters residing within the political subdivision.

11 If a sufficient petition requesting a petition and remonstrance process
 12 is not filed by owners of property or registered voters as set forth in this
 13 section, the political subdivision may issue bonds or enter into a lease
 14 by following the provisions of law relating to the bonds to be issued or
 15 lease to be entered into.

16 (c) This subsection applies only to a political subdivision that, after
 17 April 30, 2011, adopts an ordinance or a resolution making a
 18 preliminary determination to issue bonds or enter into a lease subject
 19 to this section and section 3.2 of this chapter. A political subdivision
 20 may not artificially divide a capital project into multiple capital
 21 projects in order to avoid the requirements of this section and section
 22 3.2 of this chapter.

23 SECTION 11. IC 6-1.1-20-3.5, AS AMENDED BY P.L.113-2010,
 24 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2013]: Sec. 3.5. (a) This section applies only to a controlled
 26 project that meets the following conditions:

- 27 (1) The controlled project is described in one (1) of the following
 28 categories:
 - 29 (A) An elementary school building, middle school building,
 30 **high school building**, or other school building for academic
 31 instruction that:
 - 32 (i) will be used for any combination of kindergarten through
 33 grade 8; **12; and**
 - 34 (ii) ~~will not be used for any combination of grade 9 through~~
 35 ~~grade 12; and~~
 - 36 (iii) ~~(ii)~~ **(ii)** will cost more than ~~ten~~ **fifteen** million dollars
 37 ~~(\$10,000,000); (\$15,000,000).~~
 - 38 (B) ~~A high school building or other school building for~~

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academic instruction that:

- (i) will be used for any combination of grade 9 through grade 12;
- (ii) will not be used for any combination of kindergarten through grade 8; and
- (iii) will cost more than twenty million dollars (\$20,000,000).

~~(C)~~ (B) Any other controlled project that:

- (i) is not a controlled project described in clause (A); ~~or (B)~~;
- and
- (ii) will cost the political subdivision more than the lesser of twelve million dollars (\$12,000,000) or an amount equal to one percent (1%) of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least one million dollars (\$1,000,000)).

(2) The proper officers of the political subdivision make a preliminary determination after June 30, 2008, in the manner described in subsection (b) to issue bonds or enter into a lease for the controlled project.

(b) A political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project without completing the following procedures:

- (1) The proper officers of a political subdivision shall publish notice in accordance with IC 5-3-1 and send notice by first class mail to the circuit court clerk and to any organization that delivers to the officers, before January 1 of that year, an annual written request for notices of any meeting to consider the adoption of an ordinance or a resolution making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on the preliminary determination before adoption of the ordinance or resolution. The political subdivision must make the following information available to the public at the public hearing on the preliminary determination, in addition to any other information required by law:
 - (A) The result of the political subdivision's current and projected annual debt service payments divided by the net assessed value of taxable property within the political

- 1 subdivision.
- 2 (B) The result of:
 - 3 (i) the sum of the political subdivision's outstanding long
 - 4 term debt plus the outstanding long term debt of other taxing
 - 5 units that include any of the territory of the political
 - 6 subdivision; divided by
 - 7 (ii) the net assessed value of taxable property within the
 - 8 political subdivision.
- 9 (C) The information specified in subdivision (3)(A) through
- 10 (3)(G).
- 11 (2) If the proper officers of a political subdivision make a
- 12 preliminary determination to issue bonds or enter into a lease, the
- 13 officers shall give notice of the preliminary determination by:
 - 14 (A) publication in accordance with IC 5-3-1; and
 - 15 (B) first class mail to the circuit court clerk and to the
 - 16 organizations described in subdivision (1).
- 17 (3) A notice under subdivision (2) of the preliminary
- 18 determination of the political subdivision to issue bonds or enter
- 19 into a lease must include the following information:
 - 20 (A) The maximum term of the bonds or lease.
 - 21 (B) The maximum principal amount of the bonds or the
 - 22 maximum lease rental for the lease.
 - 23 (C) The estimated interest rates that will be paid and the total
 - 24 interest costs associated with the bonds or lease.
 - 25 (D) The purpose of the bonds or lease.
 - 26 (E) A statement that the proposed debt service or lease
 - 27 payments must be approved in an election on a local public
 - 28 question held under section 3.6 of this chapter.
 - 29 (F) With respect to bonds issued or a lease entered into to
 - 30 open:
 - 31 (i) a new school facility; or
 - 32 (ii) an existing facility that has not been used for at least
 - 33 three (3) years and that is being reopened to provide
 - 34 additional classroom space;
 - 35 the estimated costs the school corporation expects to annually
 - 36 incur to operate the facility.
 - 37 (G) The political subdivision's current debt service levy and
 - 38 rate and the estimated increase to the political subdivision's

- 1 debt service levy and rate that will result if the political
- 2 subdivision issues the bonds or enters into the lease.
- 3 (H) The information specified in subdivision (1)(A) through
- 4 (1)(B).
- 5 (4) After notice is given, a petition requesting the application of
- 6 the local public question process under section 3.6 of this chapter
- 7 may be filed by the lesser of:
- 8 (A) one hundred (100) persons who are either owners of
- 9 property within the political subdivision or registered voters
- 10 residing within the political subdivision; or
- 11 (B) five percent (5%) of the registered voters residing within
- 12 the political subdivision.
- 13 (5) The state board of accounts shall design and, upon request by
- 14 the county voter registration office, deliver to the county voter
- 15 registration office or the county voter registration office's
- 16 designated printer the petition forms to be used solely in the
- 17 petition process described in this section. The county voter
- 18 registration office shall issue to an owner or owners of property
- 19 within the political subdivision or a registered voter residing
- 20 within the political subdivision the number of petition forms
- 21 requested by the owner or owners or the registered voter. Each
- 22 form must be accompanied by instructions detailing the
- 23 requirements that:
- 24 (A) the carrier and signers must be owners of property or
- 25 registered voters;
- 26 (B) the carrier must be a signatory on at least one (1) petition;
- 27 (C) after the signatures have been collected, the carrier must
- 28 swear or affirm before a notary public that the carrier
- 29 witnessed each signature; and
- 30 (D) govern the closing date for the petition period.
- 31 Persons requesting forms may be required to identify themselves
- 32 as owners of property or registered voters and may be allowed to
- 33 pick up additional copies to distribute to other owners of property
- 34 or registered voters. Each person signing a petition must indicate
- 35 whether the person is signing the petition as a registered voter
- 36 within the political subdivision or is signing the petition as the
- 37 owner of property within the political subdivision. A person who
- 38 signs a petition as a registered voter must indicate the address at

- 1 which the person is registered to vote. A person who signs a
2 petition as an owner of property must indicate the address of the
3 property owned by the person in the political subdivision.
- 4 (6) Each petition must be verified under oath by at least one (1)
5 qualified petitioner in a manner prescribed by the state board of
6 accounts before the petition is filed with the county voter
7 registration office under subdivision (7).
- 8 (7) Each petition must be filed with the county voter registration
9 office not more than thirty (30) days after publication under
10 subdivision (2) of the notice of the preliminary determination.
- 11 (8) The county voter registration office shall determine whether
12 each person who signed the petition is a registered voter.
13 However, after the county voter registration office has determined
14 that at least one hundred twenty-five (125) persons who signed
15 the petition are registered voters within the political subdivision,
16 the county voter registration office is not required to verify
17 whether the remaining persons who signed the petition are
18 registered voters. If the county voter registration office does not
19 determine that at least one hundred twenty-five (125) persons who
20 signed the petition are registered voters, the county voter
21 registration office, not more than fifteen (15) business days after
22 receiving a petition, shall forward a copy of the petition to the
23 county auditor. Not more than ten (10) business days after
24 receiving the copy of the petition, the county auditor shall provide
25 to the county voter registration office a statement verifying:
- 26 (A) whether a person who signed the petition as a registered
27 voter but is not a registered voter, as determined by the county
28 voter registration office, is the owner of property in the
29 political subdivision; and
- 30 (B) whether a person who signed the petition as an owner of
31 property within the political subdivision does in fact own
32 property within the political subdivision.
- 33 (9) The county voter registration office, not more than ten (10)
34 business days after determining that at least one hundred
35 twenty-five (125) persons who signed the petition are registered
36 voters or after receiving the statement from the county auditor
37 under subdivision (8) (as applicable), shall make the final
38 determination of whether a sufficient number of persons have

1 signed the petition. Whenever the name of an individual who
2 signs a petition form as a registered voter contains a minor
3 variation from the name of the registered voter as set forth in the
4 records of the county voter registration office, the signature is
5 presumed to be valid, and there is a presumption that the
6 individual is entitled to sign the petition under this section. Except
7 as otherwise provided in this chapter, in determining whether an
8 individual is a registered voter, the county voter registration office
9 shall apply the requirements and procedures used under IC 3 to
10 determine whether a person is a registered voter for purposes of
11 voting in an election governed by IC 3. However, an individual is
12 not required to comply with the provisions concerning providing
13 proof of identification to be considered a registered voter for
14 purposes of this chapter. A person is entitled to sign a petition
15 only one (1) time in a particular referendum process under this
16 chapter, regardless of whether the person owns more than one (1)
17 parcel of real property, mobile home assessed as personal
18 property, or manufactured home assessed as personal property or
19 a combination of those types of property within the political
20 subdivision and regardless of whether the person is both a
21 registered voter in the political subdivision and the owner of
22 property within the political subdivision. Notwithstanding any
23 other provision of this section, if a petition is presented to the
24 county voter registration office within forty-five (45) days before
25 an election, the county voter registration office may defer acting
26 on the petition, and the time requirements under this section for
27 action by the county voter registration office do not begin to run
28 until five (5) days after the date of the election.

29 (10) The county voter registration office must file a certificate and
30 each petition with:

31 (A) the township trustee, if the political subdivision is a
32 township, who shall present the petition or petitions to the
33 township board; or

34 (B) the body that has the authority to authorize the issuance of
35 the bonds or the execution of a lease, if the political
36 subdivision is not a township;

37 within thirty-five (35) business days of the filing of the petition
38 requesting the referendum process. The certificate must state the

1 number of petitioners who are owners of property within the
2 political subdivision and the number of petitioners who are
3 registered voters residing within the political subdivision.

4 (11) If a sufficient petition requesting the local public question
5 process is not filed by owners of property or registered voters as
6 set forth in this section, the political subdivision may issue bonds
7 or enter into a lease by following the provisions of law relating to
8 the bonds to be issued or lease to be entered into.

9 (c) If the proper officers of a political subdivision make a
10 preliminary determination to issue bonds or enter into a lease, the
11 officers shall provide to the county auditor:

- 12 (1) a copy of the notice required by subsection (b)(2); and
- 13 (2) any other information the county auditor requires to fulfill the
14 county auditor's duties under section 3.6 of this chapter."

15 Delete pages 16 through 24.
 16 Page 25, delete lines 1 through 33.
 17 Page 26, delete lines 9 through 35.
 18 Page 30, delete lines 39 through 42, begin a new paragraph and

19 insert:
 20 "SECTION 17. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,
 21 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2013]: Sec. 39. (a) As used in this section:

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

27 "Base assessed value" means the following:
 28 (1) If an allocation provision is adopted after June 30, 1995, in a
 29 declaratory resolution or an amendment to a declaratory
 30 resolution establishing an economic development area:

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

- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a
- 3 declaratory resolution or an amendment to a declaratory
- 4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally
- 6 determined for the assessment date immediately preceding the
- 7 effective date of the allocation provision of the declaratory
- 8 resolution, as adjusted under subsection (h); plus
- 9 (B) to the extent that it is not included in clause (A), the net
- 10 assessed value of property that is assessed as residential
- 11 property under the rules of the department of local government
- 12 finance, as finally determined for any assessment date after the
- 13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in
- 16 a declaratory resolution or an amendment to a declaratory
- 17 resolution establishing a redevelopment project area expires
- 18 after June 30, 1997; and
- 19 (B) after June 30, 1997, a new allocation provision is included
- 20 in an amendment to the declaratory resolution;
- 21 the net assessed value of all the property as finally determined for
- 22 the assessment date immediately preceding the effective date of
- 23 the allocation provision adopted after June 30, 1997, as adjusted
- 24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation
- 26 areas, the net assessed value of all the property as finally
- 27 determined for the assessment date immediately preceding the
- 28 effective date of the allocation provision of the declaratory
- 29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development
- 31 area before July 1, 1995, is expanded after June 30, 1995, the
- 32 definition in subdivision (1) applies to the expanded part of the
- 33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project
- 35 area before July 1, 1997, is expanded after June 30, 1997, the
- 36 definition in subdivision (2) applies to the expanded part of the
- 37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"

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

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

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

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

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

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

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

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

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

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

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

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

38 (E) Pay premiums on the redemption before maturity of bonds

- 1 payable solely or in part from allocated tax proceeds in that
- 2 allocation area.
- 3 (F) Make payments on leases payable from allocated tax
- 4 proceeds in that allocation area under section 25.2 of this
- 5 chapter.
- 6 (G) Reimburse the unit for expenditures made by it for local
- 7 public improvements (which include buildings, parking
- 8 facilities, and other items described in section 25.1(a) of this
- 9 chapter) that are physically located in or physically connected
- 10 to that allocation area.
- 11 (H) Reimburse the unit for rentals paid by it for a building or
- 12 parking facility that is physically located in or physically
- 13 connected to that allocation area under any lease entered into
- 14 under IC 36-1-10.
- 15 (I) For property taxes first due and payable before January 1,
- 16 2009, pay all or a part of a property tax replacement credit to
- 17 taxpayers in an allocation area as determined by the
- 18 redevelopment commission. This credit equals the amount
- 19 determined under the following STEPS for each taxpayer in a
- 20 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 21 part of the allocation area:
- 22 STEP ONE: Determine that part of the sum of the amounts
- 23 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 24 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 25 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 26 the taxing district.
- 27 STEP TWO: Divide:
- 28 (i) that part of each county's eligible property tax
- 29 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 30 repeal)) for that year as determined under IC 6-1.1-21-4
- 31 (before its repeal) that is attributable to the taxing district;
- 32 by
- 33 (ii) the STEP ONE sum.
- 34 STEP THREE: Multiply:
- 35 (i) the STEP TWO quotient; times
- 36 (ii) the total amount of the taxpayer's taxes (as defined in
- 37 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district
- 38 that have been allocated during that year to an allocation

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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.

- 1 (ii) Make any reimbursements required under this
- 2 subdivision.
- 3 (iii) Pay any expenses required under this subdivision.
- 4 (iv) Establish, augment, or restore any debt service reserve
- 5 under this subdivision.

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

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

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

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

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

32 The county auditor shall allocate to the respective taxing units
 33 the amount, if any, of excess assessed value determined by the
 34 commission. The commission may not authorize an allocation
 35 of assessed value to the respective taxing units under this
 36 subdivision if to do so would endanger the interests of the
 37 holders of bonds described in subdivision (3) or lessors under
 38 section 25.3 of this chapter.

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

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

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

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

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

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

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

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

19 (h) The state board of accounts and department of local government
 20 finance shall make the rules and prescribe the forms and procedures
 21 that they consider expedient for the implementation of this chapter.
 22 After each general reassessment of real property in an area under
 23 IC 6-1.1-4-4 and after each reassessment in an area under a
 24 reassessment plan prepared under IC 6-1.1-4-4.2, the department of
 25 local government finance shall adjust the base assessed value one (1)
 26 time to neutralize any effect of the reassessment of the real property in
 27 the area on the property tax proceeds allocated to the redevelopment
 28 district under this section. After each annual adjustment under
 29 IC 6-1.1-4-4.5, the department of local government finance shall adjust
 30 the base assessed value one (1) time to neutralize any effect of the
 31 annual adjustment on the property tax proceeds allocated to the
 32 redevelopment district under this section. However, the adjustments
 33 under this subsection:

34 (1) may not include the effect of **phasing in assessed value due**
 35 **to** property tax abatements under IC 6-1.1-12.1;

36 (2) ~~and these adjustments~~ may not produce less property tax
 37 proceeds allocable to the redevelopment district under subsection
 38 (b)(3) than would otherwise have been received if the general

1 reassessment, the reassessment under the reassessment plan, or
 2 the annual adjustment had not occurred; **and**
 3 **(3) may decrease base assessed value only to the extent that**
 4 **assessed values in the allocation area have been decreased due**
 5 **to annual adjustments or the reassessment under the**
 6 **reassessment plan.**

7 **Assessed value increases attributable to the application of an**
 8 **abatement schedule under IC 6-1.1-12.1 may not be included in the**
 9 **base assessed value of an allocation area.** The department of local
 10 government finance may prescribe procedures for county and township
 11 officials to follow to assist the department in making the adjustments.

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

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

- 1 Delete pages 31 through 38.
- 2 Page 39, delete lines 1 through 12.
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1116 as introduced and as amended by AM
111604 adopted February 12, 2013.)

and when so amended that said bill do pass.

Representative Mahan