

SENATE BILL No. 405

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-14; IC 36-9-4.

Synopsis: Public transportation corporation funding. Provides that a redevelopment commission of a municipality may provide revenue to a public transportation corporation from property tax proceeds allocated to the redevelopment commission in a tax increment financing area. Limits the amount of revenue to the amount of property tax revenue received by the redevelopment commission that is attributable to the public transportation corporation's tax rate. Requires a joint public hearing of the municipality's legislative body and the redevelopment commission and the adoption of substantially similar authorizing resolutions.

Effective: July 1, 2013.

Banks

January 10, 2013, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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SENATE BILL No. 405



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 12.2. (a) The redevelopment commission may do
4 the following:

5 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
6 lease, or any combination of methods, any personal property or
7 interest in real property needed for the redevelopment of areas
8 needing redevelopment that are located within the corporate
9 boundaries of the unit.

10 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
11 other instrument), exchange, lease, rent, or otherwise dispose of
12 property acquired for use in the redevelopment of areas needing
13 redevelopment on the terms and conditions that the commission
14 considers best for the unit and its inhabitants.

15 (3) Sell, lease, or grant interests in all or part of the real property
16 acquired for redevelopment purposes to any other department of
17 the unit or to any other governmental agency for public ways,



- 1 levees, sewerage, parks, playgrounds, schools, and other public
 2 purposes on any terms that may be agreed on.
 3 (4) Clear real property acquired for redevelopment purposes.
 4 (5) Enter on or into, inspect, investigate, and assess real property
 5 and structures acquired or to be acquired for redevelopment
 6 purposes to determine the existence, source, nature, and extent of
 7 any environmental contamination, including the following:
 8 (A) Hazardous substances.
 9 (B) Petroleum.
 10 (C) Other pollutants.
 11 (6) Remediate environmental contamination, including the
 12 following, found on any real property or structures acquired for
 13 redevelopment purposes:
 14 (A) Hazardous substances.
 15 (B) Petroleum.
 16 (C) Other pollutants.
 17 (7) Repair and maintain structures acquired for redevelopment
 18 purposes.
 19 (8) Remodel, rebuild, enlarge, or make major structural
 20 improvements on structures acquired for redevelopment purposes.
 21 (9) Survey or examine any land to determine whether it should be
 22 included within an area needing redevelopment to be acquired for
 23 redevelopment purposes and to determine the value of that land.
 24 (10) Appear before any other department or agency of the unit, or
 25 before any other governmental agency in respect to any matter
 26 affecting:
 27 (A) real property acquired or being acquired for
 28 redevelopment purposes; or
 29 (B) any area needing redevelopment within the jurisdiction of
 30 the commissioners.
 31 (11) Institute or defend in the name of the unit any civil action.
 32 (12) Use any legal or equitable remedy that is necessary or
 33 considered proper to protect and enforce the rights of and perform
 34 the duties of the department of redevelopment.
 35 (13) Exercise the power of eminent domain in the name of and
 36 within the corporate boundaries of the unit in the manner
 37 prescribed by section 20 of this chapter.
 38 (14) Appoint an executive director, appraisers, real estate experts,
 39 engineers, architects, surveyors, and attorneys.
 40 (15) Appoint clerks, guards, laborers, and other employees the
 41 commission considers advisable, except that those appointments
 42 must be made in accordance with the merit system of the unit if

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- 1 such a system exists.
- 2 (16) Prescribe the duties and regulate the compensation of
- 3 employees of the department of redevelopment.
- 4 (17) Provide a pension and retirement system for employees of
- 5 the department of redevelopment by using the Indiana public
- 6 employees' retirement fund or a retirement plan approved by the
- 7 United States Department of Housing and Urban Development.
- 8 (18) Discharge and appoint successors to employees of the
- 9 department of redevelopment subject to subdivision (15).
- 10 (19) Rent offices for use of the department of redevelopment, or
- 11 accept the use of offices furnished by the unit.
- 12 (20) Equip the offices of the department of redevelopment with
- 13 the necessary furniture, furnishings, equipment, records, and
- 14 supplies.
- 15 (21) Expend, on behalf of the special taxing district, all or any
- 16 part of the money of the special taxing district.
- 17 (22) Contract for the construction of:
- 18 (A) local public improvements (as defined in IC 36-7-14.5-6)
- 19 or structures that are necessary for redevelopment of areas
- 20 needing redevelopment or economic development within the
- 21 corporate boundaries of the unit; or
- 22 (B) any structure that enhances development or economic
- 23 development.
- 24 (23) Contract for the construction, extension, or improvement of
- 25 pedestrian skyways.
- 26 (24) Accept loans, grants, and other forms of financial assistance
- 27 from the federal government, the state government, a municipal
- 28 corporation, a special taxing district, a foundation, or any other
- 29 source.
- 30 (25) Provide financial assistance (including grants and loans) to
- 31 enable individuals and families to purchase or lease residential
- 32 units within the district. However, financial assistance may be
- 33 provided only to individuals and families whose income is at or
- 34 below the unit's median income for individuals and families,
- 35 respectively.
- 36 (26) Provide financial assistance (including grants and loans) to
- 37 neighborhood development corporations to permit them to:
- 38 (A) provide financial assistance for the purposes described in
- 39 subdivision (25); or
- 40 (B) construct, rehabilitate, or repair commercial property
- 41 within the district.
- 42 (27) Require as a condition of financial assistance to the owner of

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1 a multiple unit residential structure that any of the units leased by
2 the owner must be leased:

3 (A) for a period to be determined by the commission, which
4 may not be less than five (5) years;

5 (B) to families whose income does not exceed eighty percent
6 (80%) of the unit's median income for families; and

7 (C) at an affordable rate.

8 **(28) Provide revenue to a public transportation corporation**
9 **from property tax proceeds allocated under section 39 of this**
10 **chapter as specified in a resolution adopted under**
11 **IC 36-9-4-59.**

12 (b) Conditions imposed by the commission under subsection (a)(27)
13 remain in force throughout the period determined under subsection
14 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
15 subsequent owner or lessee is bound by the conditions for the
16 remainder of the period.

17 (c) As used in this section, "pedestrian skyway" means a pedestrian
18 walkway within or outside of the public right-of-way and through and
19 above public or private property and buildings, including all structural
20 supports required to connect skyways to buildings or buildings under
21 construction. Pedestrian skyways constructed, extended, or improved
22 over or through public or private property constitute public property
23 and public improvements, constitute a public use and purpose, and do
24 not require vacation of any public way or other property.

25 (d) All powers that may be exercised under this chapter by the
26 redevelopment commission may also be exercised by the
27 redevelopment commission in carrying out its duties and purposes
28 under IC 36-7-14.5.

29 SECTION 2. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,
30 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2013]: Sec. 39. (a) As used in this section:

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

36 "Base assessed value" means the following:

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

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

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

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

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

42 (1) Except as otherwise provided in this section, the proceeds of

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- 1 the taxes attributable to the lesser of:
 2 (A) the assessed value of the property for the assessment date
 3 with respect to which the allocation and distribution is made;
 4 or
 5 (B) the base assessed value;
 6 shall be allocated to and, when collected, paid into the funds of
 7 the respective taxing units.
 8 (2) The excess of the proceeds of the property taxes imposed for
 9 the assessment date with respect to which the allocation and
 10 distribution is made that are attributable to taxes imposed after
 11 being approved by the voters in a referendum or local public
 12 question conducted after April 30, 2010, not otherwise included
 13 in subdivision (1) shall be allocated to and, when collected, paid
 14 into the funds of the taxing unit for which the referendum or local
 15 public question was conducted.
 16 (3) Except as otherwise provided in this section, property tax
 17 proceeds in excess of those described in subdivisions (1) and (2)
 18 shall be allocated to the redevelopment district and, when
 19 collected, paid into an allocation fund for that allocation area that
 20 may be used by the redevelopment district only to do one (1) or
 21 more of the following:
 22 (A) Pay the principal of and interest on any obligations
 23 payable solely from allocated tax proceeds which are incurred
 24 by the redevelopment district for the purpose of financing or
 25 refinancing the redevelopment of that allocation area.
 26 (B) Establish, augment, or restore the debt service reserve for
 27 bonds payable solely or in part from allocated tax proceeds in
 28 that allocation area.
 29 (C) Pay the principal of and interest on bonds payable from
 30 allocated tax proceeds in that allocation area and from the
 31 special tax levied under section 27 of this chapter.
 32 (D) Pay the principal of and interest on bonds issued by the
 33 unit to pay for local public improvements that are physically
 34 located in or physically connected to that allocation area.
 35 (E) Pay premiums on the redemption before maturity of bonds
 36 payable solely or in part from allocated tax proceeds in that
 37 allocation area.
 38 (F) Make payments on leases payable from allocated tax
 39 proceeds in that allocation area under section 25.2 of this
 40 chapter.
 41 (G) Reimburse the unit for expenditures made by it for local
 42 public improvements (which include buildings, parking

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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.

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

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

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

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

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

(M) Provide revenue to a public transportation corporation as specified in a resolution adopted under IC 36-9-4-59.

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

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

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

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

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

20 The county auditor shall allocate to the respective taxing units
21 the amount, if any, of excess assessed value determined by the
22 commission. The commission may not authorize an allocation
23 of assessed value to the respective taxing units under this
24 subdivision if to do so would endanger the interests of the
25 holders of bonds described in subdivision (3) or lessors under
26 section 25.3 of this chapter.

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

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

34 (2) the base assessed value.

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

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

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

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

9 (g) If any part of the allocation area is located in an enterprise zone
10 created under IC 5-28-15, the unit that designated the allocation area
11 shall create funds as specified in this subsection. A unit that has
12 obligations, bonds, or leases payable from allocated tax proceeds under
13 subsection (b)(3) shall establish an allocation fund for the purposes
14 specified in subsection (b)(3) and a special zone fund. Such a unit
15 shall, until the end of the enterprise zone phase out period, deposit each
16 year in the special zone fund any amount in the allocation fund derived
17 from property tax proceeds in excess of those described in subsection
18 (b)(1) and (b)(2) from property located in the enterprise zone that
19 exceeds the amount sufficient for the purposes specified in subsection
20 (b)(3) for the year. The amount sufficient for purposes specified in
21 subsection (b)(3) for the year shall be determined based on the pro rata
22 portion of such current property tax proceeds from the part of the
23 enterprise zone that is within the allocation area as compared to all
24 such current property tax proceeds derived from the allocation area. A
25 unit that has no obligations, bonds, or leases payable from allocated tax
26 proceeds under subsection (b)(3) shall establish a special zone fund
27 and deposit all the property tax proceeds in excess of those described
28 in subsection (b)(1) and (b)(2) in the fund derived from property tax
29 proceeds in excess of those described in subsection (b)(1) and (b)(2)
30 from property located in the enterprise zone. The unit that creates the
31 special zone fund shall use the fund (based on the recommendations of
32 the urban enterprise association) for programs in job training, job
33 enrichment, and basic skill development that are designed to benefit
34 residents and employers in the enterprise zone or other purposes
35 specified in subsection (b)(3), except that where reference is made in
36 subsection (b)(3) to allocation area it shall refer for purposes of
37 payments from the special zone fund only to that part of the allocation
38 area that is also located in the enterprise zone. Those programs shall
39 reserve at least one-half (1/2) of their enrollment in any session for
40 residents of the enterprise zone.

41 (h) The state board of accounts and department of local government
42 finance shall make the rules and prescribe the forms and procedures

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

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

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

25 (2) Subject to subdivision (3), the initial allocation deadline and
 26 subsequent allocation deadlines are automatically extended in
 27 increments of five (5) years, so that allocation deadlines
 28 subsequent to the initial allocation deadline fall on December 31,
 29 2016, and December 31 of each fifth year thereafter.

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

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

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

37 SECTION 3. IC 36-9-4-5 IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) The municipal legislative
 39 body may furnish the urban mass transportation system with the
 40 financial assistance necessary to enable the system to provide adequate
 41 service within the municipality, if the legislative body finds:

42 (1) that the system is unable to render that service or that there is

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- 1 imminent danger that the system will be unable to render that
- 2 service; and
- 3 (2) that the system is:
 - 4 (A) necessary to relieve traffic congestion in the municipality;
 - 5 (B) necessary for the proper use of the factories, stores,
 - 6 warehouses, offices, schools, recreational facilities, and other
 - 7 places where members of the general public congregate;
 - 8 (C) necessary to expand the economic and social opportunities
 - 9 available to residents of the municipality, especially those who
 - 10 cannot freely move about without the services of the system;
 - 11 (D) a substantial factor in maintaining real property values in
 - 12 the municipality; or
 - 13 (E) a substantial factor in providing public housing,
 - 14 redevelopment of blighted areas, and publicly owned offstreet
 - 15 parking facilities.
- 16 (b) The municipal legislative body may furnish assistance under this
- 17 section by:
 - 18 (1) making grants to the system;
 - 19 (2) purchasing buses or real property from the system or from any
 - 20 other source for lease to the system; ~~or~~
 - 21 (3) making both grants and purchases; **or**
 - 22 **(4) adopting a resolution under section 59 of this chapter**
 - 23 **specifying that the municipality's redevelopment commission**
 - 24 **will provide revenue from allocated property tax proceeds to**
 - 25 **the public transportation corporation.**
- 26 SECTION 4. IC 36-9-4-42, AS AMENDED BY P.L.137-2012,
- 27 SECTION 123, IS AMENDED TO READ AS FOLLOWS
- 28 [EFFECTIVE JULY 1, 2013]: Sec. 42. (a) A municipality or a public
- 29 transportation corporation that expends money for the establishment or
- 30 maintenance of an urban mass transportation system under this chapter
- 31 may acquire the money for these expenditures:
 - 32 (1) by issuing bonds under section 43 or 44 of this chapter;
 - 33 (2) by borrowing money made available for such purposes by any
 - 34 source;
 - 35 (3) by accepting grants or contributions made available for such
 - 36 purposes by any source, **including revenue from allocated**
 - 37 **property tax proceeds that is provided by a redevelopment**
 - 38 **commission that has adopted a resolution under section 59 of**
 - 39 **this chapter;**
 - 40 (4) in the case of a municipality, by appropriation from the
 - 41 general fund of the municipality, or from a special fund that the
 - 42 municipal legislative body includes in the municipality's budget;

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1 or
2 (5) in the case of a public transportation corporation, by levying
3 a tax under section 49 of this chapter or by recommending an
4 election to use revenue from the county option income taxes, as
5 provided in subsection (c).
6 (b) Money may be acquired under this section for the purpose of
7 exercising any of the powers granted by or incidental to this chapter,
8 including:
9 (1) studies under section 4, 9, or 11 of this chapter;
10 (2) grants in aid;
11 (3) the purchase of buses or real property by a municipality for
12 lease to an urban mass transportation system, including the
13 payment of any amount outstanding under a mortgage, contract of
14 sale, or other security device that may attach to the buses or real
15 property;
16 (4) the acquisition by a public transportation corporation of
17 property of an urban mass transportation system, including the
18 payment of any amount outstanding under a mortgage, contract of
19 sale, or other security device that may attach to the property;
20 (5) the operation of an urban mass transportation system by a
21 public transportation corporation, including the acquisition of
22 additional property for such a system; and
23 (6) the retirement of bonds issued and outstanding under this
24 chapter.
25 (c) This subsection applies only to a public transportation
26 corporation located in a county having a consolidated city. In order to
27 provide revenue to a public transportation corporation during a year,
28 the public transportation corporation board may recommend and the
29 county fiscal body may elect to provide revenue to the corporation from
30 part of the certified distribution, if any, that the county is to receive
31 during that same year under IC 6-3.5-6-17. To make the election, the
32 county fiscal body must adopt an ordinance before November 1 of the
33 preceding year. The county fiscal body must specify in the ordinance
34 the amount of the certified distribution that is to be used to provide
35 revenue to the corporation. If such an ordinance is adopted, the county
36 fiscal body shall immediately send a copy of the ordinance to the
37 county auditor.
38 SECTION 5. IC 36-9-4-59 IS ADDED TO THE INDIANA CODE
39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
40 1, 2013]: **Sec. 59. (a) The board of directors of a public
41 transportation corporation may adopt a resolution to request that
42 the municipality that is being served by the corporation and the**

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1 municipality's redevelopment commission provide revenue from
 2 property tax proceeds allocated to the redevelopment commission
 3 under IC 36-7-14. For a redevelopment commission to provide
 4 revenue to a public transportation corporation, the legislative body
 5 of the municipality and the redevelopment commission must adopt
 6 substantially similar resolutions agreeing to provide the revenue to
 7 the public transportation corporation. Such a resolution must set
 8 forth at least the following:

9 (1) The boundaries of the allocation area from which the
 10 annual revenue from allocated property tax proceeds will be
 11 provided.

12 (2) The annual amount of revenue that will be provided,
 13 which may not exceed the amount of property tax revenue
 14 received by the redevelopment commission under IC 36-7-14
 15 that is attributable to the public transportation corporation's
 16 tax rate.

17 (3) The first and last year that the revenue will be provided.

18 (b) Before the legislative body of the municipality or the
 19 redevelopment commission may adopt a resolution under this
 20 section to provide revenue to the public transportation
 21 corporation, the legislative body of the municipality and the
 22 redevelopment commission shall hold a joint public hearing. The
 23 proper officers of the municipality shall publish a notice of the
 24 public hearing in accordance with IC 5-3-1. The notice must
 25 specify that the purpose of the hearing is to consider providing
 26 revenue to the municipality's public transportation corporation
 27 from property tax proceeds allocated to the redevelopment
 28 commission.

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