

SENATE BILL No. 535

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-22-3; IC 36-7.

Synopsis: Airport authorities and economic development. Provides that if Clark County establishes an airport authority, the board of the airport authority consists of three members appointed by the Clark County fiscal body, two members appointed by the Clark County executive, one member appointed by the executive of Jeffersonville, and one member appointed by the board of the military base reuse authority located in Clark County. Specifies that if such an airport authority is established: (1) it shall be named the South Central Regional Airport Authority; and (2) the authority's budget, tax levies, and bonds or leases payable from property taxes must be approved by the Clark County fiscal body. Provides that a redevelopment commission or a military base reuse authority may provide revenue to an airport authority if the commission or reuse authority makes a determination that providing the revenue will enhance economic development opportunities.

Effective: Upon passage.

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January 14, 2013, read first time and referred to Committee on Commerce, Economic Development & Technology.

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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. 535



A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

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

1 SECTION 1. IC 8-22-3-4, AS AMENDED BY P.L.119-2012,
2 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 4. (a) Except as provided in subsections (b),
4 (c), (d), (e), (f), and (g) and ~~section sections 4.3 and 4.5~~ of this chapter,
5 the board consists of four (4) members, whenever the fiscal body of an
6 eligible entity, acting individually, establishes an authority. The
7 members of the board shall be appointed by the executive of the entity,
8 and not more than two (2) members of the board may be of the same
9 political party.

10 (b) In the event that two (2) cities or one (1) city and one (1) town
11 act jointly to establish an authority under this chapter, the board
12 consists of five (5) members. The executive of each city or town shall
13 each appoint two (2) members to the board. The county executive shall
14 appoint one (1) member to the board. Each member appointed by an
15 executive must be of a different political party than the other appointed
16 member.

17 (c) In the event that an authority is established by a city or town and



1 a county, acting jointly, the board consists of six (6) members. The
 2 executive of each entity shall appoint three (3) members. Not more
 3 than two (2) members appointed by each executive may be of the same
 4 political party.

5 (d) In the event that an authority was established under IC 19-6-3
 6 (before its repeal on April 1, 1980) the board consists of five (5)
 7 members. Three (3) members of the board shall be appointed by the
 8 mayor of the city, and two (2) members of the board shall be appointed
 9 by the board of commissioners of the county. Not more than two (2)
 10 members representing the city may be members of the same political
 11 party, and not more than one (1) member representing the county may
 12 be a member of the same political party.

13 (e) Except as provided in section 4.1(b)(3) of this chapter, the
 14 county executive of each Indiana county that is adjacent to a county
 15 establishing an authority under this chapter and in which the authority
 16 owns real property may appoint one (1) advisory member to the board.
 17 An advisory member who is appointed under this subsection:

- 18 (1) must be a resident of the adjacent county;
- 19 (2) may not vote on any matter before the board;
- 20 (3) serves at the pleasure of the appointing authority; and
- 21 (4) serves without compensation or payment for expenses.

22 (f) The board of an authority established in a city having a
 23 population of more than sixteen thousand four hundred (16,400) but
 24 less than seventeen thousand (17,000) consists of five (5) members.
 25 The members of the board shall be appointed by the executive of the
 26 eligible entity, and not more than three (3) members of the board may
 27 be of the same political party.

28 (g) This subsection does not apply to a board subject to subsection
 29 (b), (c), (d), or (f). Notwithstanding subsection (a), the fiscal body of
 30 an eligible entity may adopt an ordinance or a resolution providing that
 31 the board consists of five (5) members. If the board consists of five (5)
 32 members, not more than three (3) members may be of the same
 33 political party.

34 SECTION 2. IC 8-22-3-4.5 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 36 **UPON PASSAGE]: Sec. 4.5. (a) If an airport authority is**
 37 **established under this chapter by the fiscal body of Clark County,**
 38 **the board of the authority consists of seven (7) members appointed**
 39 **as follows:**

- 40 (1) **Three (3) members appointed by the fiscal body of Clark**
 41 **County. Not more than two (2) of the members appointed**
 42 **under this subdivision may be affiliated with the same**

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- 1 political party.
- 2 (2) Two (2) members appointed by the executive of Clark
- 3 County. The members appointed under this subdivision may
- 4 not be affiliated with the same political party.
- 5 (3) One (1) member appointed by the executive of the city of
- 6 Jeffersonville.
- 7 (4) One (1) member appointed by the board of the military
- 8 base reuse authority located in Clark County.
- 9 (b) To be eligible to be a member of the board, an individual
- 10 must have the qualifications required by section 5(a) of this
- 11 chapter.
- 12 (c) Except as provided in subsection (d) for the initial terms of
- 13 board members, an individual appointed to the board shall hold
- 14 office for a term of four (4) years and until the member's successor
- 15 is appointed and qualified.
- 16 (d) The initial terms of the initial members appointed to the
- 17 board are as follows:
- 18 (1) Two (2) of the members appointed under subsection (a)(1)
- 19 shall serve an initial term of two (2) years, and one (1) of the
- 20 members appointed under subsection (a)(1) shall serve an
- 21 initial term of four (4) years.
- 22 (2) One (1) of the members appointed under subsection (a)(2)
- 23 shall serve an initial term of two (2) years, and the other
- 24 member appointed under subsection (a)(2) shall serve an
- 25 initial term of four (4) years.
- 26 (3) The member appointed under subsection (a)(3) shall serve
- 27 an initial term of three (3) years.
- 28 (4) The member appointed under subsection (a)(4) shall serve
- 29 an initial term of three (3) years.
- 30 (e) A board member is eligible for reappointment to successive
- 31 terms.
- 32 (f) If a vacancy occurs in the board by resignation or otherwise,
- 33 the appointing authority that appointed the member that vacated
- 34 the board shall appoint an individual to serve for the remainder of
- 35 the unexpired term.
- 36 (g) A board member may be impeached under the procedure
- 37 provided for the impeachment of county officers.
- 38 (h) The following apply if an authority described in subsection
- 39 (a) is established under this chapter:
- 40 (1) The authority shall be named the South Central Regional
- 41 Airport Authority.
- 42 (2) The budget and tax levies of the authority must be

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1 approved by the fiscal body of Clark County as provided in
2 IC 6-1.1-17-20.

3 (3) The authority may not issue bonds or enter into a lease
4 payable in whole or in part from property taxes unless the
5 authority obtains the approval of the fiscal body of Clark
6 County as provided in IC 6-1.1-17-20.5.

7 (i) The general assembly finds that by authorizing a unique
8 board membership of an airport authority under this section,
9 Clark County will have the opportunity to advance the economic
10 development potential of the county through the airport authority,
11 the military base reuse authority, and the ports of Indiana.

12 SECTION 3. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,
13 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 12.2. (a) The redevelopment commission may
15 do the following:

16 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
17 lease, or any combination of methods, any personal property or
18 interest in real property needed for the redevelopment of areas
19 needing redevelopment that are located within the corporate
20 boundaries of the unit.

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

26 (3) Sell, lease, or grant interests in all or part of the real property
27 acquired for redevelopment purposes to any other department of
28 the unit or to any other governmental agency for public ways,
29 levees, sewerage, parks, playgrounds, schools, and other public
30 purposes on any terms that may be agreed on.

31 (4) Clear real property acquired for redevelopment purposes.

32 (5) Enter on or into, inspect, investigate, and assess real property
33 and structures acquired or to be acquired for redevelopment
34 purposes to determine the existence, source, nature, and extent of
35 any environmental contamination, including the following:

- 36 (A) Hazardous substances.
- 37 (B) Petroleum.
- 38 (C) Other pollutants.

39 (6) Remediate environmental contamination, including the
40 following, found on any real property or structures acquired for
41 redevelopment purposes:

- 42 (A) Hazardous substances.

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- 1 (B) Petroleum.
- 2 (C) Other pollutants.
- 3 (7) Repair and maintain structures acquired for redevelopment
- 4 purposes.
- 5 (8) Remodel, rebuild, enlarge, or make major structural
- 6 improvements on structures acquired for redevelopment purposes.
- 7 (9) Survey or examine any land to determine whether it should be
- 8 included within an area needing redevelopment to be acquired for
- 9 redevelopment purposes and to determine the value of that land.
- 10 (10) Appear before any other department or agency of the unit, or
- 11 before any other governmental agency in respect to any matter
- 12 affecting:
- 13 (A) real property acquired or being acquired for
- 14 redevelopment purposes; or
- 15 (B) any area needing redevelopment within the jurisdiction of
- 16 the commissioners.
- 17 (11) Institute or defend in the name of the unit any civil action.
- 18 (12) Use any legal or equitable remedy that is necessary or
- 19 considered proper to protect and enforce the rights of and perform
- 20 the duties of the department of redevelopment.
- 21 (13) Exercise the power of eminent domain in the name of and
- 22 within the corporate boundaries of the unit in the manner
- 23 prescribed by section 20 of this chapter.
- 24 (14) Appoint an executive director, appraisers, real estate experts,
- 25 engineers, architects, surveyors, and attorneys.
- 26 (15) Appoint clerks, guards, laborers, and other employees the
- 27 commission considers advisable, except that those appointments
- 28 must be made in accordance with the merit system of the unit if
- 29 such a system exists.
- 30 (16) Prescribe the duties and regulate the compensation of
- 31 employees of the department of redevelopment.
- 32 (17) Provide a pension and retirement system for employees of
- 33 the department of redevelopment by using the Indiana public
- 34 employees' retirement fund or a retirement plan approved by the
- 35 United States Department of Housing and Urban Development.
- 36 (18) Discharge and appoint successors to employees of the
- 37 department of redevelopment subject to subdivision (15).
- 38 (19) Rent offices for use of the department of redevelopment, or
- 39 accept the use of offices furnished by the unit.
- 40 (20) Equip the offices of the department of redevelopment with
- 41 the necessary furniture, furnishings, equipment, records, and
- 42 supplies.

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- 1 (21) Expend, on behalf of the special taxing district, all or any
 2 part of the money of the special taxing district.
 3 (22) Contract for the construction of:
 4 (A) local public improvements (as defined in IC 36-7-14.5-6)
 5 or structures that are necessary for redevelopment of areas
 6 needing redevelopment or economic development within the
 7 corporate boundaries of the unit; or
 8 (B) any structure that enhances development or economic
 9 development.
 10 (23) Contract for the construction, extension, or improvement of
 11 pedestrian skyways.
 12 (24) Accept loans, grants, and other forms of financial assistance
 13 from the federal government, the state government, a municipal
 14 corporation, a special taxing district, a foundation, or any other
 15 source.
 16 (25) Provide financial assistance (including grants and loans) to
 17 enable individuals and families to purchase or lease residential
 18 units within the district. However, financial assistance may be
 19 provided only to individuals and families whose income is at or
 20 below the unit's median income for individuals and families,
 21 respectively.
 22 (26) Provide financial assistance (including grants and loans) to
 23 neighborhood development corporations to permit them to:
 24 (A) provide financial assistance for the purposes described in
 25 subdivision (25); or
 26 (B) construct, rehabilitate, or repair commercial property
 27 within the district.
 28 (27) Require as a condition of financial assistance to the owner of
 29 a multiple unit residential structure that any of the units leased by
 30 the owner must be leased:
 31 (A) for a period to be determined by the commission, which
 32 may not be less than five (5) years;
 33 (B) to families whose income does not exceed eighty percent
 34 (80%) of the unit's median income for families; and
 35 (C) at an affordable rate.
 36 **(28) Provide revenue, including property tax proceeds**
 37 **allocated under section 39 of this chapter, to an airport**
 38 **authority if the commission by resolution makes a**
 39 **determination that providing the revenue will enhance**
 40 **economic development opportunities.**
 41 (b) Conditions imposed by the commission under subsection (a)(27)
 42 remain in force throughout the period determined under subsection

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1 (a)(27)(A), even if the owner sells, leases, or conveys the property. The
 2 subsequent owner or lessee is bound by the conditions for the
 3 remainder of the period.

4 (c) As used in this section, "pedestrian skyway" means a pedestrian
 5 walkway within or outside of the public right-of-way and through and
 6 above public or private property and buildings, including all structural
 7 supports required to connect skyways to buildings or buildings under
 8 construction. Pedestrian skyways constructed, extended, or improved
 9 over or through public or private property constitute public property
 10 and public improvements, constitute a public use and purpose, and do
 11 not require vacation of any public way or other property.

12 (d) All powers that may be exercised under this chapter by the
 13 redevelopment commission may also be exercised by the
 14 redevelopment commission in carrying out its duties and purposes
 15 under IC 36-7-14.5.

16 SECTION 4. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,
 17 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 39. (a) As used in this section:

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

23 "Base assessed value" means the following:

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

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

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

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

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

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

(3) If:

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

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

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

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

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

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

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



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

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

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

33 or

34 (B) the base assessed value;

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

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

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into the funds of the taxing unit for which the referendum or local public question was conducted.

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

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

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

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

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

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

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

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

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

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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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 an airport authority, if the commission has adopted a resolution under section 12.2(a)(28) of this chapter determining that providing the revenue will enhance economic development opportunities.

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

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1 (i) state the amount, if any, of excess assessed value that the
 2 commission has determined may be allocated to the
 3 respective taxing units in the manner prescribed in
 4 subdivision (1); or
 5 (ii) state that the commission has determined that there is no
 6 excess assessed value that may be allocated to the respective
 7 taxing units in the manner prescribed in subdivision (1).
 8 The county auditor shall allocate to the respective taxing units
 9 the amount, if any, of excess assessed value determined by the
 10 commission. The commission may not authorize an allocation
 11 of assessed value to the respective taxing units under this
 12 subdivision if to do so would endanger the interests of the
 13 holders of bonds described in subdivision (3) or lessors under
 14 section 25.3 of this chapter.

15 (c) For the purpose of allocating taxes levied by or for any taxing
 16 unit or units, the assessed value of taxable property in a territory in the
 17 allocation area that is annexed by any taxing unit after the effective
 18 date of the allocation provision of the declaratory resolution is the
 19 lesser of:
 20 (1) the assessed value of the property for the assessment date with
 21 respect to which the allocation and distribution is made; or
 22 (2) the base assessed value.

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

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

31 (f) Notwithstanding any other law, the assessed value of all taxable
 32 property in the allocation area, for purposes of tax limitation, property
 33 tax replacement, and formulation of the budget, tax rate, and tax levy
 34 for each political subdivision in which the property is located is the
 35 lesser of:
 36 (1) the assessed value of the property as valued without regard to
 37 this section; or
 38 (2) the base assessed value.

39 (g) If any part of the allocation area is located in an enterprise zone
 40 created under IC 5-28-15, the unit that designated the allocation area
 41 shall create funds as specified in this subsection. A unit that has
 42 obligations, bonds, or leases payable from allocated tax proceeds under

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

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

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

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

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

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

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

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

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

25 SECTION 5. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,
26 SECTION 744, IS AMENDED TO READ AS FOLLOWS
27 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) In carrying out its duties
28 and purposes under this chapter, the commission may do the following:

29 (1) Acquire by purchase, exchange, gift, grant, lease, or
30 condemnation, or any combination of methods, any real or
31 personal property or interest in property needed for the
32 redevelopment of areas needing redevelopment that are located
33 within the redevelopment district.

34 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
35 other instrument), exchange, lease, rent, invest in, or otherwise
36 dispose of, through any combination of methods, property
37 acquired for use in the redevelopment of areas needing
38 redevelopment on the terms and conditions that the commission
39 considers best for the city and its inhabitants.

40 (3) Acquire from and sell, lease, or grant interests in all or part of
41 the real property acquired for redevelopment purposes to any
42 other department of the city, or to any other governmental agency,

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- 1 for public ways, levees, sewerage, parks, playgrounds, schools,
- 2 and other public purposes, on any terms that may be agreed upon.
- 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 or to be acquired for
- 18 redevelopment purposes.
- 19 (8) Enter upon, survey, or examine any land, to determine whether
- 20 it should be included within an area needing redevelopment to be
- 21 acquired for redevelopment purposes, and determine the value of
- 22 that land.
- 23 (9) Appear before any other department or agency of the city, or
- 24 before any other governmental agency in respect to any matter
- 25 affecting:
- 26 (A) real property acquired or being acquired for
- 27 redevelopment purposes; or
- 28 (B) any area needing redevelopment within the jurisdiction of
- 29 the commission.
- 30 (10) Subject to section 13 of this chapter, exercise the power of
- 31 eminent domain in the name of the city, within the redevelopment
- 32 district, in the manner prescribed by this chapter.
- 33 (11) Establish a uniform fee schedule whenever appropriate for
- 34 the performance of governmental assistance, or for providing
- 35 materials and supplies to private persons in project or program
- 36 related activities.
- 37 (12) Expend, on behalf of the redevelopment district, all or any
- 38 part of the money available for the purposes of this chapter.
- 39 (13) Contract for the construction, extension, or improvement of
- 40 pedestrian skyways.
- 41 (14) Accept loans, grants, and other forms of financial assistance
- 42 from the federal government, the state government, a municipal

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corporation, a special taxing district, a foundation, or any other source.

(15) Provide financial assistance (including grants and loans) to enable individuals and families to purchase or lease residential units within the district. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(16) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

- (A) provide financial assistance for the purposes described in subdivision (15); or
- (B) construct, rehabilitate, or repair commercial property within the district.

(17) Require as a condition of financial assistance to the owner of a multiunit residential structure that any of the units leased by the owner must be leased:

- (A) for a period to be determined by the commission, which may not be less than five (5) years;
- (B) to families whose income does not exceed eighty percent (80%) of the county's median income for families; and
- (C) at an affordable rate.

Conditions imposed by the commission under this subdivision remain in force throughout the period determined under clause (A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(18) Provide programs in job training, job enrichment, and basic skill development for residents of an enterprise zone.

(19) Provide loans and grants for the purpose of stimulating business activity in an enterprise zone or providing employment for residents of an enterprise zone.

(20) Contract for the construction, extension, or improvement of:

- (A) public ways, sidewalks, sewers, waterlines, parking facilities, park or recreational areas, or other local public improvements (as defined in IC 36-7-15.3-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the redevelopment district; or
- (B) any structure that enhances development or economic development.

(21) Provide revenue, including property tax proceeds

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allocated under section 26 of this chapter, to an airport authority if the commission by resolution makes a determination that providing the revenue will enhance economic development opportunities.

(b) In addition to its powers under subsection (a), the commission may plan and undertake, alone or in cooperation with other agencies, projects for the redevelopment of, rehabilitating, preventing the spread of, or eliminating slums or areas needing redevelopment, both residential and nonresidential, which projects may include any of the following:

- (1) The repair or rehabilitation of buildings or other improvements by the commission, owners, or tenants.
- (2) The acquisition of real property.
- (3) Either of the following with respect to environmental contamination on real property:
 - (A) Investigation.
 - (B) Remediation.
- (4) The demolition and removal of buildings or improvements on buildings acquired by the commission where necessary for any of the following:
 - (A) To eliminate unhealthful, unsanitary, or unsafe conditions.
 - (B) To mitigate or eliminate environmental contamination.
 - (C) To lessen density.
 - (D) To reduce traffic hazards.
 - (E) To eliminate obsolete or other uses detrimental to public welfare.
 - (F) To otherwise remove or prevent the conditions described in IC 36-7-1-3.
 - (G) To provide land for needed public facilities.
- (5) The preparation of sites and the construction of improvements (such as public ways and utility connections) to facilitate the sale or lease of property.
- (6) The construction of buildings or facilities for residential, commercial, industrial, public, or other uses.
- (7) The disposition in accordance with this chapter, for uses in accordance with the plans for the projects, of any property acquired in connection with the projects.

(c) The commission may use its powers under this chapter relative to real property and interests in real property obtained by voluntary sale or transfer, even though the real property and interests in real property are not located in a redevelopment or urban renewal project area established by the adoption and confirmation of a resolution under

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1 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property
2 and interests in real property outside of a redevelopment or urban
3 renewal project area, the commission shall comply with section 12(b)
4 through 12(e) of this chapter. The commission shall hold, develop, use,
5 and dispose of this real property and interests in real property
6 substantially in accordance with section 15 of this chapter.

7 (d) As used in this section, "pedestrian skyway" means a pedestrian
8 walkway within or outside of the public right-of-way and through and
9 above public or private property and buildings, including all structural
10 supports required to connect skyways to buildings or buildings under
11 construction. Pedestrian skyways constructed, extended, or improved
12 over or through public or private property constitute public property
13 and public improvements, constitute a public use and purpose, and do
14 not require vacation of any public way or other property.

15 (e) All powers that may be exercised under this chapter by the
16 commission may also be exercised by the commission in carrying out
17 its duties and purposes under IC 36-7-15.3.

18 SECTION 6. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,
19 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 26. (a) As used in this section:

21 "Allocation area" means that part of a redevelopment project area
22 to which an allocation provision of a resolution adopted under section
23 8 of this chapter refers for purposes of distribution and allocation of
24 property taxes.

25 "Base assessed value" means the following:

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

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

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

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

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

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1 effective date of the allocation provision of the declaratory
2 resolution, as adjusted under subsection (h); plus
3 (B) to the extent that it is not included in clause (A), the net
4 assessed value of property that is assessed as residential
5 property under the rules of the department of local government
6 finance, as finally determined for any assessment date after the
7 effective date of the allocation provision.

8 (3) If:
9 (A) an allocation provision adopted before June 30, 1995, in
10 a declaratory resolution or an amendment to a declaratory
11 resolution establishing a redevelopment project area expires
12 after June 30, 1997; and

13 (B) after June 30, 1997, a new allocation provision is included
14 in an amendment to the declaratory resolution;
15 the net assessed value of all the property as finally determined for
16 the assessment date immediately preceding the effective date of
17 the allocation provision adopted after June 30, 1997, as adjusted
18 under subsection (h).

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

24 (5) If an allocation area established in an economic development
25 area before July 1, 1995, is expanded after June 30, 1995, the
26 definition in subdivision (1) applies to the expanded part of the
27 area added after June 30, 1995.

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

32 Except as provided in section 26.2 of this chapter, "property taxes"
33 means taxes imposed under IC 6-1.1 on real property. However, upon
34 approval by a resolution of the redevelopment commission adopted
35 before June 1, 1987, "property taxes" also includes taxes imposed
36 under IC 6-1.1 on depreciable personal property. If a redevelopment
37 commission adopted before June 1, 1987, a resolution to include within
38 the definition of property taxes taxes imposed under IC 6-1.1 on
39 depreciable personal property that has a useful life in excess of eight
40 (8) years, the commission may by resolution determine the percentage
41 of taxes imposed under IC 6-1.1 on all depreciable personal property
42 that will be included within the definition of property taxes. However,

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1 the percentage included must not exceed twenty-five percent (25%) of
 2 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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

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

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

35 or

36 (B) the base assessed value;

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

39 (2) The excess of the proceeds of the property taxes imposed for
 40 the assessment date with respect to which the allocation and
 41 distribution is made that are attributable to taxes imposed after
 42 being approved by the voters in a referendum or local public

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1 question conducted after April 30, 2010, not otherwise included
 2 in subdivision (1) shall be allocated to and, when collected, paid
 3 into the funds of the taxing unit for which the referendum or local
 4 public question was conducted.

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

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

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

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

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

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

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

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

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

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

42 (i) in the allocation area; and

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

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

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

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

(K) Provide revenue to an airport authority, if the commission has adopted a resolution under section 7(a)(21) of this chapter determining that providing the revenue will enhance economic development opportunities.

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and

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

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- 1 this section; or
 2 (2) the base assessed value.
- 3 (g) If any part of the allocation area is located in an enterprise zone
 4 created under IC 5-28-15, the unit that designated the allocation area
 5 shall create funds as specified in this subsection. A unit that has
 6 obligations, bonds, or leases payable from allocated tax proceeds under
 7 subsection (b)(3) shall establish an allocation fund for the purposes
 8 specified in subsection (b)(3) and a special zone fund. Such a unit
 9 shall, until the end of the enterprise zone phase out period, deposit each
 10 year in the special zone fund the amount in the allocation fund derived
 11 from property tax proceeds in excess of those described in subsection
 12 (b)(1) and (b)(2) from property located in the enterprise zone that
 13 exceeds the amount sufficient for the purposes specified in subsection
 14 (b)(3) for the year. A unit that has no obligations, bonds, or leases
 15 payable from allocated tax proceeds under subsection (b)(3) shall
 16 establish a special zone fund and deposit all the property tax proceeds
 17 in excess of those described in subsection (b)(1) and (b)(2) in the fund
 18 derived from property tax proceeds in excess of those described in
 19 subsection (b)(1) and (b)(2) from property located in the enterprise
 20 zone. The unit that creates the special zone fund shall use the fund,
 21 based on the recommendations of the urban enterprise association, for
 22 one (1) or more of the following purposes:
- 23 (1) To pay for programs in job training, job enrichment, and basic
 24 skill development designed to benefit residents and employers in
 25 the enterprise zone. The programs must reserve at least one-half
 26 (1/2) of the enrollment in any session for residents of the
 27 enterprise zone.
- 28 (2) To make loans and grants for the purpose of stimulating
 29 business activity in the enterprise zone or providing employment
 30 for enterprise zone residents in the enterprise zone. These loans
 31 and grants may be made to the following:
- 32 (A) Businesses operating in the enterprise zone.
 33 (B) Businesses that will move their operations to the enterprise
 34 zone if such a loan or grant is made.
- 35 (3) To provide funds to carry out other purposes specified in
 36 subsection (b)(3). However, where reference is made in
 37 subsection (b)(3) to the allocation area, the reference refers for
 38 purposes of payments from the special zone fund only to that part
 39 of the allocation area that is also located in the enterprise zone.
- 40 (h) The state board of accounts and department of local government
 41 finance shall make the rules and prescribe the forms and procedures
 42 that they consider expedient for the implementation of this chapter.

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

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

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

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

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

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

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

35 SECTION 7. IC 36-7-30-9 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The military
 37 base reuse authority may do the following:

38 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 39 lease, or any combination of methods, any personal military base
 40 property or interest in real military base property or other real or
 41 personal property located within the corporate boundaries of the
 42 unit.

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- 1 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 2 other instrument), exchange, lease, rent, or otherwise dispose of
 3 real or personal military base property or other real and personal
 4 property to private enterprise or state or local government, on the
 5 terms and conditions that the reuse authority considers best for the
 6 unit and its inhabitants.
- 7 (3) Sell, lease, or grant interests in all or part of the real property
 8 acquired from a military base to any other department of the unit
 9 or to any other governmental agency for public ways, levees,
 10 sewerage, parks, playgrounds, schools, and other public purposes
 11 on any terms that may be agreed on.
- 12 (4) Clear real property acquired for the purposes of this chapter.
- 13 (5) Repair and maintain structures acquired for the purposes of
 14 this chapter.
- 15 (6) Remodel, rebuild, enlarge, or make major structural
 16 improvements on structures acquired from a military base.
- 17 (7) Survey or examine any land to determine whether it should be
 18 acquired for the purpose of this chapter and to determine the
 19 value of the land.
- 20 (8) Appear before any other department or agency of the unit or
 21 any other governmental agency in respect to any matter affecting:
 22 (A) real property acquired or being acquired for the purposes
 23 of this chapter; or
 24 (B) any reuse area within the jurisdiction of the reuse
 25 authority.
- 26 (9) Institute or defend in the name of the unit any civil action.
- 27 (10) Use any legal or equitable remedy that is necessary or
 28 considered proper to protect and enforce the rights of and perform
 29 the duties of the reuse authority.
- 30 (11) Exercise the power of eminent domain in the name of and
 31 within the corporate boundaries of the unit in the manner
 32 prescribed by section 16 of this chapter.
- 33 (12) Appoint an executive director, appraisers, real estate experts,
 34 engineers, architects, surveyors, attorneys, accountants, and other
 35 consultants that are necessary or desired by the authority in
 36 exercising its powers or carrying out its responsibilities under this
 37 chapter.
- 38 (13) Appoint clerks, guards, laborers, and other employees the
 39 reuse authority considers advisable. However, the appointments
 40 must be made in accordance with the merit system of the unit if
 41 the unit has a merit system.
- 42 (14) Prescribe the duties and regulate the compensation of

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- 1 employees of the military base reuse authority.
- 2 (15) Provide a pension and retirement system for employees of
- 3 the military base reuse authority, or use the public employees'
- 4 retirement fund or a retirement plan approved by the United
- 5 States Department of Housing and Urban Development.
- 6 (16) Discharge and appoint successors to employees of the
- 7 military base reuse authority subject to subdivision (13).
- 8 (17) Rent offices for use of the reuse authority or accept the use
- 9 of offices furnished by the unit.
- 10 (18) Equip the offices of the reuse authority with the necessary
- 11 furniture, furnishings, equipment, records, and supplies.
- 12 (19) Expend on behalf of the special taxing district all or any part
- 13 of the money of the special taxing district.
- 14 (20) Design, order, contract for, and construct, reconstruct,
- 15 improve, or renovate the following:
- 16 (A) Local public improvements or structures that are necessary
- 17 for the reuse of military base property within the corporate
- 18 boundaries of the unit.
- 19 (B) Any structure that enhances the development, economic
- 20 development, or reuse of military base property.
- 21 (21) Accept loans, grants, and other forms of financial assistance
- 22 from the federal government, the state government, a municipal
- 23 corporation, a special taxing district, a foundation, or any other
- 24 source.
- 25 (22) Provide financial assistance, in the manner that best serves
- 26 the purposes of this chapter, including grants and loans, to enable
- 27 private enterprise to develop, redevelop, and reuse military base
- 28 property or otherwise enable private enterprise to provide social
- 29 and economic benefits to the citizens of the unit.
- 30 (23) Enter into contracts for providing police, fire protection, and
- 31 utility services to the military base reuse area.
- 32 (24) Make and enter into all contracts and agreements necessary
- 33 or incidental to the performance of the duties of the reuse
- 34 authority and the execution of the power of the reuse authority
- 35 under this chapter.
- 36 (25) Take any action necessary to implement the purposes of the
- 37 reuse authority.
- 38 **(26) Provide revenue, including property tax proceeds**
- 39 **allocated under section 25 of this chapter, to an airport**
- 40 **authority if the authority by resolution makes a determination**
- 41 **that providing the revenue will enhance economic**
- 42 **development opportunities.**

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(b) All powers that may be exercised under this chapter by the reuse authority may also be exercised by the reuse authority in carrying out its duties and purposes under IC 36-7-14.5 or IC 36-7-15.3.

SECTION 8. IC 36-7-30-25, AS AMENDED BY P.L.112-2012, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) The following definitions apply throughout this section:

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

(2) "Base assessed value" means:

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

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

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

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

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

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently

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

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

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

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

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

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

26 (A) Pay the principal of and interest and redemption premium
 27 on any obligations incurred by the military base reuse district
 28 or any other entity for the purpose of financing or refinancing
 29 military base reuse activities in or directly serving or
 30 benefiting that allocation area.

31 (B) Establish, augment, or restore the debt service reserve for
 32 bonds payable solely or in part from allocated tax proceeds in
 33 that allocation area or from other revenues of the reuse
 34 authority, including lease rental revenues.

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

37 (D) Reimburse any other governmental body for expenditures
 38 made for local public improvements (or structures) in or
 39 directly serving or benefiting that allocation area.

40 (E) Pay expenses incurred by the reuse authority, any other
 41 department of the unit, or a department of another
 42 governmental entity for local public improvements or

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structures that are in the allocation area or directly serving or benefiting the allocation area, including expenses for the operation and maintenance of these local public improvements or structures if the reuse authority determines those operation and maintenance expenses are necessary or desirable to carry out the purposes of this chapter.

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

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

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

(G) Provide revenue to an airport authority, if the authority has adopted a resolution under section 9(a)(26) of this chapter determining that providing the revenue will enhance economic development opportunities.

Except as provided in clause (E), the allocation fund may not be used for operating expenses of the reuse authority.

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

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

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

- (i) state the amount, if any, of excess property taxes that the reuse authority has determined may be paid to the respective

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1 taxing units in the manner prescribed in subdivision (1); or
 2 (ii) state that the reuse authority has determined that there
 3 are no excess property tax proceeds that may be allocated to
 4 the respective taxing units in the manner prescribed in
 5 subdivision (1).

6 The county auditor shall allocate to the respective taxing units
 7 the amount, if any, of excess property tax proceeds determined
 8 by the reuse authority. The reuse authority may not authorize
 9 a payment to the respective taxing units under this subdivision
 10 if to do so would endanger the interest of the holders of bonds
 11 described in subdivision (3) or lessors under section 19 of this
 12 chapter.

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

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

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

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

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

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

36 (g) If any part of the allocation area is located in an enterprise zone
 37 created under IC 5-28-15, the unit that designated the allocation area
 38 shall create funds as specified in this subsection. A unit that has
 39 obligations, bonds, or leases payable from allocated tax proceeds under
 40 subsection (b)(3) shall establish an allocation fund for the purposes
 41 specified in subsection (b)(3) and a special zone fund. Such a unit
 42 shall, until the end of the enterprise zone phase out period, deposit each

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

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

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1 department in making the adjustments.
2 SECTION 9. **An emergency is declared for this act.**

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