

# HOUSE BILL No. 1521

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7.

**Synopsis:** Tax increment funds. Provides that projects financed after June 30, 2013, by various tax increments must be located within the area in which the tax increment is realized.

**Effective:** July 1, 2013.

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### Smith M

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January 22, 2013, read first time and referred to Committee on Ways and Means.

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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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# HOUSE BILL No. 1521



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

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

1 SECTION 1. IC 36-7-14-39, AS AMENDED BY P.L.112-2012,  
2 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2013]: Sec. 39. (a) As used in this section:  
4 "Allocation area" means that part of a redevelopment project area  
5 to which an allocation provision of a declaratory resolution adopted  
6 under section 15 of this chapter refers for purposes of distribution and  
7 allocation of property taxes.  
8 "Base assessed value" means the following:  
9 (1) If an allocation provision is adopted after June 30, 1995, in a  
10 declaratory resolution or an amendment to a declaratory  
11 resolution establishing an economic development area:  
12 (A) the net assessed value of all the property as finally  
13 determined for the assessment date immediately preceding the  
14 effective date of the allocation provision of the declaratory  
15 resolution, as adjusted under subsection (h); plus  
16 (B) to the extent that it is not included in clause (A), the net  
17 assessed value of property that is assessed as residential



- 1 property under the rules of the department of local government  
 2 finance, as finally determined for any assessment date after the  
 3 effective date of the allocation provision.
- 4 (2) If an allocation provision is adopted after June 30, 1997, in a  
 5 declaratory resolution or an amendment to a declaratory  
 6 resolution establishing a redevelopment project area:
- 7 (A) the net assessed value of all the property as finally  
 8 determined for the assessment date immediately preceding the  
 9 effective date of the allocation provision of the declaratory  
 10 resolution, as adjusted under subsection (h); plus  
 11 (B) to the extent that it is not included in clause (A), the net  
 12 assessed value of property that is assessed as residential  
 13 property under the rules of the department of local government  
 14 finance, as finally determined for any assessment date after the  
 15 effective date of the allocation provision.
- 16 (3) If:
- 17 (A) an allocation provision adopted before June 30, 1995, in  
 18 a declaratory resolution or an amendment to a declaratory  
 19 resolution establishing a redevelopment project area expires  
 20 after June 30, 1997; and  
 21 (B) after June 30, 1997, a new allocation provision is included  
 22 in an amendment to the declaratory resolution;  
 23 the net assessed value of all the property as finally determined for  
 24 the assessment date immediately preceding the effective date of  
 25 the allocation provision adopted after June 30, 1997, as adjusted  
 26 under subsection (h).
- 27 (4) Except as provided in subdivision (5), for all other allocation  
 28 areas, the net assessed value of all the property as finally  
 29 determined for the assessment date immediately preceding the  
 30 effective date of the allocation provision of the declaratory  
 31 resolution, as adjusted under subsection (h).
- 32 (5) If an allocation area established in an economic development  
 33 area before July 1, 1995, is expanded after June 30, 1995, the  
 34 definition in subdivision (1) applies to the expanded part of the  
 35 area added after June 30, 1995.
- 36 (6) If an allocation area established in a redevelopment project  
 37 area before July 1, 1997, is expanded after June 30, 1997, the  
 38 definition in subdivision (2) applies to the expanded part of the  
 39 area added after June 30, 1997.
- 40 Except as provided in section 39.3 of this chapter, "property taxes"  
 41 means taxes imposed under IC 6-1.1 on real property. However, upon  
 42 approval by a resolution of the redevelopment commission adopted

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

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

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

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

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1                   or  
2                   (B) the base assessed value;  
3 shall be allocated to and, when collected, paid into the funds of  
4 the respective taxing units.  
5 (2) The excess of the proceeds of the property taxes imposed for  
6 the assessment date with respect to which the allocation and  
7 distribution is made that are attributable to taxes imposed after  
8 being approved by the voters in a referendum or local public  
9 question conducted after April 30, 2010, not otherwise included  
10 in subdivision (1) shall be allocated to and, when collected, paid  
11 into the funds of the taxing unit for which the referendum or local  
12 public question was conducted.  
13 (3) Except as otherwise provided in this section, property tax  
14 proceeds in excess of those described in subdivisions (1) and (2)  
15 shall be allocated to the redevelopment district and, when  
16 collected, paid into an allocation fund for that allocation area that  
17 may be used by the redevelopment district only to do one (1) or  
18 more of the following:  
19                   (A) Pay the principal of and interest on any obligations  
20 payable solely from allocated tax proceeds which are incurred  
21 by the redevelopment district for the purpose of financing or  
22 refinancing the redevelopment of that allocation area.  
23                   (B) Establish, augment, or restore the debt service reserve for  
24 bonds payable solely or in part from allocated tax proceeds in  
25 that allocation area.  
26                   (C) Pay the principal of and interest on bonds payable from  
27 allocated tax proceeds in that allocation area and from the  
28 special tax levied under section 27 of this chapter.  
29                   (D) Pay the principal of and interest on bonds issued by the  
30 unit to pay for local public improvements that are physically  
31 located in ~~or physically connected to~~ that allocation area.  
32                   (E) Pay premiums on the redemption before maturity of bonds  
33 payable solely or in part from allocated tax proceeds in that  
34 allocation area.  
35                   (F) Make payments on leases payable from allocated tax  
36 proceeds in that allocation area under section 25.2 of this  
37 chapter.  
38                   (G) Reimburse the unit for expenditures made by it for local  
39 public improvements (which include buildings, parking  
40 facilities, and other items described in section 25.1(a) of this  
41 chapter) that are physically located in ~~or physically connected~~  
42 ~~to~~ that allocation area.

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

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

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

STEP TWO: Divide:

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

STEP THREE: Multiply:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (c) For the purpose of allocating taxes levied by or for any taxing  
 22 unit or units, the assessed value of taxable property in a territory in the  
 23 allocation area that is annexed by any taxing unit after the effective  
 24 date of the allocation provision of the declaratory resolution is the  
 25 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 redevelopment commission, reassess the taxable  
 35 property situated upon or in, or added to, the allocation area, effective  
 36 on the next assessment 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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this section; or

(2) the base assessed value.

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

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

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

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

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

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

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

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

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

31 SECTION 2. IC 36-7-14-48, AS AMENDED BY P.L.203-2011,  
 32 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 33 JULY 1, 2013]: Sec. 48. (a) Notwithstanding section 39(a) of this  
 34 chapter, with respect to the allocation and distribution of property taxes  
 35 for the accomplishment of a program adopted under section 45 of this  
 36 chapter, "base assessed value" means the net assessed value of all of  
 37 the property, other than personal property, as finally determined for the  
 38 assessment date immediately preceding the effective date of the  
 39 allocation provision, as adjusted under section 39(h) of this chapter.

40 (b) The allocation fund established under section 39(b) of this  
 41 chapter for the allocation area for a program adopted under section 45  
 42 of this chapter may be used only for purposes related to the

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- 1 accomplishment of the program, including the following:
- 2 (1) The construction, rehabilitation, or repair of residential units
- 3 within the allocation area.
- 4 (2) The construction, reconstruction, or repair of any
- 5 infrastructure (including streets, sidewalks, and sewers) within ~~or~~
- 6 ~~servicing~~ the allocation area.
- 7 (3) The acquisition of real property and interests in real property
- 8 within the allocation area.
- 9 (4) The demolition of real property within the allocation area.
- 10 (5) The provision of financial assistance to enable individuals and
- 11 families to purchase or lease residential units within the allocation
- 12 area. However, financial assistance may be provided only to those
- 13 individuals and families whose income is at or below the county's
- 14 median income for individuals and families, respectively.
- 15 (6) The provision of financial assistance to neighborhood
- 16 development corporations to permit them to provide financial
- 17 assistance for the purposes described in subdivision (5).
- 18 (7) For property taxes first due and payable before January 1,
- 19 2009, providing each taxpayer in the allocation area a credit for
- 20 property tax replacement as determined under subsections (c) and
- 21 (d). However, the commission may provide this credit only if the
- 22 municipal legislative body (in the case of a redevelopment
- 23 commission established by a municipality) or the county
- 24 executive (in the case of a redevelopment commission established
- 25 by a county) establishes the credit by ordinance adopted in the
- 26 year before the year in which the credit is provided.
- 27 (c) The maximum credit that may be provided under subsection
- 28 (b)(7) to a taxpayer in a taxing district that contains all or part of an
- 29 allocation area established for a program adopted under section 45 of
- 30 this chapter shall be determined as follows:
- 31 STEP ONE: Determine that part of the sum of the amounts
- 32 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
- 33 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
- 34 attributable to the taxing district.
- 35 STEP TWO: Divide:
- 36 (A) that part of each county's eligible property tax replacement
- 37 amount (as defined in IC 6-1.1-21-2) (before its repeal) for
- 38 that year as determined under IC 6-1.1-21-4(a)(1) (before its
- 39 repeal) that is attributable to the taxing district; by
- 40 (B) the amount determined under STEP ONE.
- 41 STEP THREE: Multiply:
- 42 (A) the STEP TWO quotient; by

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1 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before  
2 its repeal) levied in the taxing district allocated to the  
3 allocation fund, including the amount that would have been  
4 allocated but for the credit.

5 (d) The commission may determine to grant to taxpayers in an  
6 allocation area from its allocation fund a credit under this section, as  
7 calculated under subsection (c). Except as provided in subsection (g),  
8 one-half (1/2) of the credit shall be applied to each installment of taxes  
9 (as defined in IC 6-1.1-21-2) (before its repeal) that under  
10 IC 6-1.1-22-9 are due and payable in a year. The commission must  
11 provide for the credit annually by a resolution and must find in the  
12 resolution the following:

13 (1) That the money to be collected and deposited in the allocation  
14 fund, based upon historical collection rates, after granting the  
15 credit will equal the amounts payable for contractual obligations  
16 from the fund, plus ten percent (10%) of those amounts.

17 (2) If bonds payable from the fund are outstanding, that there is  
18 a debt service reserve for the bonds that at least equals the amount  
19 of the credit to be granted.

20 (3) If bonds of a lessor under section 25.2 of this chapter or under  
21 IC 36-1-10 are outstanding and if lease rentals are payable from  
22 the fund, that there is a debt service reserve for those bonds that  
23 at least equals the amount of the credit to be granted.

24 If the tax increment is insufficient to grant the credit in full, the  
25 commission may grant the credit in part, prorated among all taxpayers.

26 (e) Notwithstanding section 39(b) of this chapter, the allocation  
27 fund established under section 39(b) of this chapter for the allocation  
28 area for a program adopted under section 45 of this chapter may only  
29 be used to do one (1) or more of the following:

30 (1) Accomplish one (1) or more of the actions set forth in section  
31 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter  
32 for property that is residential in nature.

33 (2) Reimburse the county or municipality for expenditures made  
34 by the county or municipality in order to accomplish the housing  
35 program in that allocation area.

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

38 (f) Notwithstanding section 39(b) of this chapter, the commission  
39 shall, relative to the allocation fund established under section 39(b) of  
40 this chapter for an allocation area for a program adopted under section  
41 45 of this chapter, do the following before July 15 of each year:

42 (1) Determine the amount, if any, by which the assessed value of

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1 the taxable property in the allocation area for the most recent  
2 assessment date minus the base assessed value, when multiplied  
3 by the estimated tax rate of the allocation area, will exceed the  
4 amount of assessed value needed to produce the property taxes  
5 necessary to:

- 6 (A) make the distribution required under section 39(b)(2);
- 7 (B) make, when due, principal and interest payments on bonds  
8 described in section 39(b)(3) of this chapter;
- 9 (C) pay the amount necessary for other purposes described in  
10 section 39(b)(3) of this chapter; and
- 11 (D) reimburse the county or municipality for anticipated  
12 expenditures described in subsection (e)(2).

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

- 19 (A) state the amount, if any, of excess property taxes that the  
20 commission has determined may be paid to the respective  
21 taxing units in the manner prescribed in section 39(b)(1) of  
22 this chapter; or
- 23 (B) state that the commission has determined that there is no  
24 excess assessed value that may be allocated to the respective  
25 taxing units in the manner prescribed in subdivision (1).

26 The county auditor shall allocate to the respective taxing units the  
27 amount, if any, of excess assessed value determined by the  
28 commission.

29 (g) This subsection applies to an allocation area only to the extent  
30 that the net assessed value of property that is assessed as residential  
31 property under the rules of the department of local government finance  
32 is not included in the base assessed value. If property tax installments  
33 with respect to a homestead (as defined in IC 6-1.1-12-37) are due in  
34 installments established by the department of local government finance  
35 under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an  
36 allocation area is entitled to an additional credit under subsection (d)  
37 for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in  
38 installments. The credit shall be applied in the same proportion to each  
39 installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

40 SECTION 3. IC 36-7-14.5-12.5, AS AMENDED BY P.L.203-2011,  
41 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
42 JULY 1, 2013]: Sec. 12.5. (a) This section applies only to an authority

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1 in a county having a United States government military base that is  
2 scheduled for closing or is completely or partially inactive or closed.

3 (b) In order to accomplish the purposes set forth in section 11 of this  
4 chapter, an authority may create an economic development area:

5 (1) by following the procedures set forth in IC 36-7-14-41 for the  
6 establishment of an economic development area by a  
7 redevelopment commission; and

8 (2) with the same effect as if the economic development area was  
9 created by a redevelopment commission.

10 The area established under this section shall be established only in the  
11 area where a United States government military base that is scheduled  
12 for closing or is completely or partially inactive or closed is or was  
13 located.

14 (c) In order to accomplish the purposes set forth in section 11 of this  
15 chapter, an authority may do the following in a manner that serves an  
16 economic development area created under this section:

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

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

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

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

33 (5) Repair and maintain structures acquired for redevelopment  
34 purposes.

35 (6) Remodel, rebuild, enlarge, or make major structural  
36 improvements on structures acquired for redevelopment purposes.

37 (7) Survey or examine any land to determine whether the land  
38 should be included within an economic development area to be  
39 acquired for redevelopment purposes and to determine the value  
40 of that land.

41 (8) Appear before any other department or agency of the unit, or  
42 before any other governmental agency in respect to any matter

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- 1 affecting:
- 2 (A) real property acquired or being acquired for
- 3 redevelopment purposes; or
- 4 (B) any economic development area within the jurisdiction of
- 5 the authority.
- 6 (9) Institute or defend in the name of the unit any civil action, but
- 7 all actions against the authority must be brought in the circuit or
- 8 superior court of the county where the authority is located.
- 9 (10) Use any legal or equitable remedy that is necessary or
- 10 considered proper to protect and enforce the rights of and perform
- 11 the duties of the authority.
- 12 (11) Exercise the power of eminent domain in the name of and
- 13 within the corporate boundaries of the unit subject to the same
- 14 conditions and procedures that apply to the exercise of the power
- 15 of eminent domain by a redevelopment commission under
- 16 IC 36-7-14.
- 17 (12) Appoint an executive director, appraisers, real estate experts,
- 18 engineers, architects, surveyors, and attorneys.
- 19 (13) Appoint clerks, guards, laborers, and other employees the
- 20 authority considers advisable, except that those appointments
- 21 must be made in accordance with the merit system of the unit if
- 22 such a system exists.
- 23 (14) Prescribe the duties and regulate the compensation of
- 24 employees of the authority.
- 25 (15) Provide a pension and retirement system for employees of
- 26 the authority by using the public employees' retirement fund or a
- 27 retirement plan approved by the United States Department of
- 28 Housing and Urban Development.
- 29 (16) Discharge and appoint successors to employees of the
- 30 authority subject to subdivision (13).
- 31 (17) Rent offices for use of the department or authority, or accept
- 32 the use of offices furnished by the unit.
- 33 (18) Equip the offices of the authority with the necessary
- 34 furniture, furnishings, equipment, records, and supplies.
- 35 (19) Design, order, contract for, and construct, reconstruct,
- 36 improve, or renovate the following:
- 37 (A) Any local public improvement or structure that is
- 38 necessary for redevelopment purposes or economic
- 39 development within the corporate boundaries of the unit.
- 40 (B) Any structure that enhances development or economic
- 41 development.
- 42 (20) Contract for the construction, extension, or improvement of

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1 pedestrian skyways (as defined in IC 36-7-14-12.2(c)).  
 2 (21) Accept loans, grants, and other forms of financial assistance  
 3 from, or contract with, the federal government, the state  
 4 government, a municipal corporation, a special taxing district, a  
 5 foundation, or any other source.  
 6 (22) Make and enter into all contracts and agreements necessary  
 7 or incidental to the performance of the duties of the authority and  
 8 the execution of the powers of the authority under this chapter.  
 9 (23) Take any action necessary to implement the purpose of the  
 10 authority.  
 11 (24) Provide financial assistance, in the manner that best serves  
 12 the purposes set forth in section 11 of this chapter, including  
 13 grants and loans, to enable private enterprise to develop,  
 14 redevelop, and reuse military base property or otherwise enable  
 15 private enterprise to provide social and economic benefits to the  
 16 citizens of the unit.  
 17 (d) An authority may designate all or a portion of an economic  
 18 development area created under this section as an allocation area by  
 19 following the procedures set forth in IC 36-7-14-39 for the  
 20 establishment of an allocation area by a redevelopment commission.  
 21 The allocation provision may modify the definition of "property taxes"  
 22 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the  
 23 depreciable personal property located and taxable on the site of  
 24 operations of designated taxpayers in accordance with the procedures  
 25 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3  
 26 applies to such a modification. An allocation area established by an  
 27 authority under this section is a special taxing district authorized by the  
 28 general assembly to enable the unit to provide special benefits to  
 29 taxpayers in the allocation area by promoting economic development  
 30 that is of public use and benefit. For allocation areas established for an  
 31 economic development area created under this section after June 30,  
 32 1997, and to the expanded portion of an allocation area for an  
 33 economic development area that was established before June 30, 1997,  
 34 and that is expanded under this section after June 30, 1997, the net  
 35 assessed value of property that is assessed as residential property under  
 36 the rules of the department of local government finance, as finally  
 37 determined for any assessment date, must be allocated. All of the  
 38 provisions of IC 36-7-14-39 apply to an allocation area created under  
 39 this section, except that the authority shall be vested with the rights and  
 40 duties of a commission as referenced in those sections, and except that,  
 41 notwithstanding IC 36-7-14-39(b)(3), property tax proceeds paid into  
 42 the allocation fund may be used by the authority only to do one (1) or

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- 1 more of the following:
- 2 (1) Pay the principal of and interest and redemption premium on
- 3 any obligations incurred by the special taxing district or any other
- 4 entity for the purpose of financing or refinancing military base
- 5 reuse activities **physically located** in ~~or serving or benefiting~~ that
- 6 allocation area.
- 7 (2) Establish, augment, or restore the debt service reserve for
- 8 obligations payable solely or in part from allocated tax proceeds
- 9 in that allocation area or from other revenues of the authority
- 10 (including lease rental revenues).
- 11 (3) Make payments on leases payable solely or in part from
- 12 allocated tax proceeds in that allocation area.
- 13 (4) Reimburse any other governmental body for expenditures
- 14 made by it that benefits or provides for local public improvements
- 15 or structures **physically located** in ~~or serving or benefiting~~ that
- 16 allocation area.
- 17 (5) Pay expenses incurred by the authority that benefit or provide
- 18 for local public improvements or structures that are **physically**
- 19 **located** in the allocation area. ~~or serving or benefiting the~~
- 20 ~~allocation area.~~
- 21 (6) Reimburse public and private entities for expenses incurred in
- 22 training employees of industrial facilities that are **physically**
- 23 located:
- 24 (A) in the allocation area; and
- 25 (B) on a parcel of real property that has been classified as
- 26 industrial property under the rules of the department of local
- 27 government finance.
- 28 However, the total amount of money spent for this purpose in any
- 29 year may not exceed the total amount of money in the allocation
- 30 fund that is attributable to property taxes paid by the industrial
- 31 facilities described in clause (B). The reimbursements under this
- 32 subdivision must be made within three (3) years after the date on
- 33 which the investments that are the basis for the increment
- 34 financing are made.
- 35 (e) In addition to other methods of raising money for property
- 36 acquisition, redevelopment, or economic development activities in ~~or~~
- 37 ~~directly serving or benefiting~~ an economic development area created
- 38 by an authority under this section, and in anticipation of the taxes
- 39 allocated under subsection (d), other revenues of the authority, or any
- 40 combination of these sources, the authority may, by resolution, issue
- 41 the bonds of the special taxing district in the name of the unit. Bonds
- 42 issued under this section may be issued in any amount without

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1 limitation. The following apply if such a resolution is adopted:  
 2 (1) The authority shall certify a copy of the resolution authorizing  
 3 the bonds to the municipal or county fiscal officer, who shall then  
 4 prepare the bonds. The seal of the unit must be impressed on the  
 5 bonds, or a facsimile of the seal must be printed on the bonds.  
 6 (2) The bonds must be executed by the appropriate officer of the  
 7 unit and attested by the unit's fiscal officer.  
 8 (3) The bonds are exempt from taxation for all purposes.  
 9 (4) Bonds issued under this section may be sold at public sale in  
 10 accordance with IC 5-1-11 or at a negotiated sale.  
 11 (5) The bonds are not a corporate obligation of the unit but are an  
 12 indebtedness of the taxing district. The bonds and interest are  
 13 payable, as set forth in the bond resolution of the authority:  
 14 (A) from the tax proceeds allocated under subsection (d);  
 15 (B) from other revenues available to the authority; or  
 16 (C) from a combination of the methods stated in clauses (A)  
 17 and (B).  
 18 (6) Proceeds from the sale of bonds may be used to pay the cost  
 19 of interest on the bonds for a period not to exceed five (5) years  
 20 from the date of issuance.  
 21 (7) Laws relating to the filing of petitions requesting the issuance  
 22 of bonds and the right of taxpayers and voters to remonstrate  
 23 against the issuance of bonds do not apply to bonds issued under  
 24 this section.  
 25 (8) If a debt service reserve is created from the proceeds of bonds,  
 26 the debt service reserve may be used to pay principal and interest  
 27 on the bonds as provided in the bond resolution.  
 28 (9) If bonds are issued under this chapter that are payable solely  
 29 or in part from revenues to the authority from a project or  
 30 projects, the authority may adopt a resolution or trust indenture or  
 31 enter into covenants as is customary in the issuance of revenue  
 32 bonds. The resolution or trust indenture may pledge or assign the  
 33 revenues from the project or projects. The resolution or trust  
 34 indenture may also contain any provisions for protecting and  
 35 enforcing the rights and remedies of the bond owners as may be  
 36 reasonable and proper and not in violation of law, including  
 37 covenants setting forth the duties of the authority. The authority  
 38 may establish fees and charges for the use of any project and  
 39 covenant with the owners of any bonds to set those fees and  
 40 charges at a rate sufficient to protect the interest of the owners of  
 41 the bonds. Any revenue bonds issued by the authority that are  
 42 payable solely from revenues of the authority shall contain a

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1 statement to that effect in the form of bond.

2 (f) Notwithstanding section 8(a) of this chapter, an ordinance  
3 adopted under section 11 of this chapter may provide, or be amended  
4 to provide, that the board of directors of the authority shall be  
5 composed of not fewer than three (3) nor more than eleven (11)  
6 members, who must be residents of or be employed at a place of  
7 employment located within the unit. The members shall be appointed  
8 by the executive of the unit.

9 (g) The acquisition of real and personal property by an authority  
10 under this section is not subject to the provisions of IC 5-22,  
11 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the  
12 purchase of property by public bodies or their agencies.

13 (h) An authority may negotiate for the sale, lease, or other  
14 disposition of real and personal property without complying with the  
15 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other  
16 statute governing the disposition of public property.

17 (i) Notwithstanding any other law, utility services provided within  
18 an economic development area established under this section are  
19 subject to regulation by the appropriate regulatory agencies unless the  
20 utility service is provided by a utility that provides utility service solely  
21 within the geographic boundaries of an existing or a closed military  
22 installation, in which case the utility service is not subject to regulation  
23 for purposes of rate making, regulation, service delivery, or issuance of  
24 bonds or other forms of indebtedness. However, this exemption from  
25 regulation does not apply to utility service if the service is generated,  
26 treated, or produced outside the boundaries of the existing or closed  
27 military installation.

28 SECTION 4. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,  
29 SECTION 744, IS AMENDED TO READ AS FOLLOWS  
30 [EFFECTIVE JULY 1, 2013]: Sec. 7. (a) In carrying out its duties and  
31 purposes under this chapter, the commission may do the following:

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

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

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- 1 (3) Acquire from and sell, lease, or grant interests in all or part of
- 2 the real property acquired for redevelopment purposes to any
- 3 other department of the city, or to any other governmental agency,
- 4 for public ways, levees, sewerage, parks, playgrounds, schools,
- 5 and other public purposes, on any terms that may be agreed upon.
- 6 (4) Clear real property acquired for redevelopment purposes.
- 7 (5) Enter on or into, inspect, investigate, and assess real property
- 8 and structures acquired or to be acquired for redevelopment
- 9 purposes to determine the existence, source, nature, and extent of
- 10 any environmental contamination, including the following:
- 11 (A) Hazardous substances.
- 12 (B) Petroleum.
- 13 (C) Other pollutants.
- 14 (6) Remediate environmental contamination, including the
- 15 following, found on any real property or structures acquired for
- 16 redevelopment purposes:
- 17 (A) Hazardous substances.
- 18 (B) Petroleum.
- 19 (C) Other pollutants.
- 20 (7) Repair and maintain structures acquired or to be acquired for
- 21 redevelopment purposes.
- 22 (8) Enter upon, survey, or examine any land, to determine whether
- 23 it should be included within an area needing redevelopment to be
- 24 acquired for redevelopment purposes, and determine the value of
- 25 that land.
- 26 (9) Appear before any other department or agency of the city, or
- 27 before any other governmental agency in respect to any matter
- 28 affecting:
- 29 (A) real property acquired or being acquired for
- 30 redevelopment purposes; or
- 31 (B) any area needing redevelopment within the jurisdiction of
- 32 the commission.
- 33 (10) Subject to section 13 of this chapter, exercise the power of
- 34 eminent domain in the name of the city, within the redevelopment
- 35 district, in the manner prescribed by this chapter.
- 36 (11) Establish a uniform fee schedule whenever appropriate for
- 37 the performance of governmental assistance, or for providing
- 38 materials and supplies to private persons in project or program
- 39 related activities.
- 40 (12) Expend, on behalf of the redevelopment district, all or any
- 41 part of the money available for the purposes of this chapter.
- 42 (13) Contract for the construction, extension, or improvement of

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- 1 pedestrian skyways.
- 2 (14) Accept loans, grants, and other forms of financial assistance
- 3 from the federal government, the state government, a municipal
- 4 corporation, a special taxing district, a foundation, or any other
- 5 source.
- 6 (15) Provide financial assistance (including grants and loans) to
- 7 enable individuals and families to purchase or lease residential
- 8 units within the district. However, financial assistance may be
- 9 provided only to those individuals and families whose income is
- 10 at or below the county's median income for individuals and
- 11 families, respectively.
- 12 (16) Provide financial assistance (including grants and loans) to
- 13 neighborhood development corporations to permit them to:
- 14 (A) provide financial assistance for the purposes described in
- 15 subdivision (15); or
- 16 (B) construct, rehabilitate, or repair commercial property
- 17 within the district.
- 18 (17) Require as a condition of financial assistance to the owner of
- 19 a multiunit residential structure that any of the units leased by the
- 20 owner must be leased:
- 21 (A) for a period to be determined by the commission, which
- 22 may not be less than five (5) years;
- 23 (B) to families whose income does not exceed eighty percent
- 24 (80%) of the county's median income for families; and
- 25 (C) at an affordable rate.
- 26 Conditions imposed by the commission under this subdivision
- 27 remain in force throughout the period determined under clause
- 28 (A), even if the owner sells, leases, or conveys the property. The
- 29 subsequent owner or lessee is bound by the conditions for the
- 30 remainder of the period.
- 31 (18) Provide programs in job training, job enrichment, and basic
- 32 skill development for residents of an enterprise zone.
- 33 (19) Provide loans and grants for the purpose of stimulating
- 34 business activity in an enterprise zone or providing employment
- 35 for residents of an enterprise zone.
- 36 (20) Contract for the construction, extension, or improvement of:
- 37 (A) public ways, sidewalks, sewers, waterlines, parking
- 38 facilities, park or recreational areas, or other local public
- 39 improvements (as defined in IC 36-7-15.3-6) or structures that
- 40 are necessary for redevelopment of areas needing
- 41 redevelopment or economic development within the
- 42 redevelopment district; or

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1 (B) any structure that enhances development or economic  
 2 development.  
 3 (b) In addition to its powers under subsection (a), the commission  
 4 may plan and undertake, alone or in cooperation with other agencies,  
 5 projects for the redevelopment of, rehabilitating, preventing the spread  
 6 of, or eliminating slums or areas needing redevelopment, both  
 7 residential and nonresidential, which projects may include any of the  
 8 following:  
 9 (1) The repair or rehabilitation of buildings or other  
 10 improvements by the commission, owners, or tenants.  
 11 (2) The acquisition of real property.  
 12 (3) Either of the following with respect to environmental  
 13 contamination on real property:  
 14 (A) Investigation.  
 15 (B) Remediation.  
 16 (4) The demolition and removal of buildings or improvements on  
 17 buildings acquired by the commission where necessary for any of  
 18 the following:  
 19 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.  
 20 (B) To mitigate or eliminate environmental contamination.  
 21 (C) To lessen density.  
 22 (D) To reduce traffic hazards.  
 23 (E) To eliminate obsolete or other uses detrimental to public  
 24 welfare.  
 25 (F) To otherwise remove or prevent the conditions described  
 26 in IC 36-7-1-3.  
 27 (G) To provide land for needed public facilities.  
 28 (5) The preparation of sites and the construction of improvements  
 29 (such as public ways and utility connections) to facilitate the sale  
 30 or lease of property.  
 31 (6) The construction of buildings or facilities for residential,  
 32 commercial, industrial, public, or other uses.  
 33 (7) The disposition in accordance with this chapter, for uses in  
 34 accordance with the plans for the projects, of any property  
 35 acquired in connection with the projects.  
 36 (c) The commission may use its powers under this chapter relative  
 37 to real property and interests in real property obtained by voluntary sale  
 38 or transfer, even though the real property and interests in real property  
 39 are not located in a redevelopment or urban renewal project area  
 40 established by the adoption and confirmation of a resolution under  
 41 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property  
 42 and interests in real property outside of a redevelopment or urban

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1 renewal project area, the commission shall comply with section 12(b)  
 2 through 12(e) of this chapter. The commission shall hold, develop, use,  
 3 and dispose of this real property and interests in real property  
 4 substantially in accordance with section 15 of this chapter.

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

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

17 SECTION 5. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,  
 18 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JULY 1, 2013]: Sec. 26. (a) As used in this section:

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

24 "Base assessed value" means the following:

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

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

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

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

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1 the taxes imposed under IC 6-1.1 on all depreciable personal property.

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

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

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

35 (B) the base assessed value;

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

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

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- 1 in subdivision (1) shall be allocated to and, when collected, paid
- 2 into the funds of the taxing unit for which the referendum or local
- 3 public question was conducted.
- 4 (3) Except as otherwise provided in this section, property tax
- 5 proceeds in excess of those described in subdivisions (1) and (2)
- 6 shall be allocated to the redevelopment district and, when
- 7 collected, paid into a special fund for that allocation area that may
- 8 be used by the redevelopment district only to do one (1) or more
- 9 of the following:
- 10 (A) Pay the principal of and interest on any obligations
- 11 payable solely from allocated tax proceeds that are incurred by
- 12 the redevelopment district for the purpose of financing or
- 13 refinancing the redevelopment of that allocation area.
- 14 (B) Establish, augment, or restore the debt service reserve for
- 15 bonds payable solely or in part from allocated tax proceeds in
- 16 that allocation area.
- 17 (C) Pay the principal of and interest on bonds payable from
- 18 allocated tax proceeds in that allocation area and from the
- 19 special tax levied under section 19 of this chapter.
- 20 (D) Pay the principal of and interest on bonds issued by the
- 21 consolidated city to pay for local public improvements that are
- 22 physically located in ~~or physically connected to~~ that allocation
- 23 area.
- 24 (E) Pay premiums on the redemption before maturity of bonds
- 25 payable solely or in part from allocated tax proceeds in that
- 26 allocation area.
- 27 (F) Make payments on leases payable from allocated tax
- 28 proceeds in that allocation area under section 17.1 of this
- 29 chapter.
- 30 (G) Reimburse the consolidated city for expenditures for local
- 31 public improvements (which include buildings, parking
- 32 facilities, and other items set forth in section 17 of this
- 33 chapter) that are physically located in ~~or physically connected~~
- 34 ~~to~~ that allocation area.
- 35 (H) Reimburse the unit for rentals paid by it for a building or
- 36 parking facility that is physically located in ~~or physically~~
- 37 ~~connected to~~ that allocation area under any lease entered into
- 38 under IC 36-1-10.
- 39 (I) Reimburse public and private entities for expenses incurred
- 40 in training employees of industrial facilities that are **physically**
- 41 located:
- 42 (i) in the allocation area; and

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

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

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

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

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

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

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

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

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

19 (1) To pay for programs in job training, job enrichment, and basic  
 20 skill development designed to benefit residents and employers in the  
 21 enterprise zone. The programs must reserve at least one-half  
 22 (1/2) of the enrollment in any session for residents of the  
 23 enterprise zone.

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

28 (A) Businesses operating in the enterprise zone.

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

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

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

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

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

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

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

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

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

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

31 SECTION 6. IC 36-7-15.1-35, AS AMENDED BY P.L.6-2012,  
 32 SECTION 245, IS AMENDED TO READ AS FOLLOWS  
 33 [EFFECTIVE JULY 1, 2013]: Sec. 35. (a) Notwithstanding section  
 34 26(a) of this chapter, with respect to the allocation and distribution of  
 35 property taxes for the accomplishment of a program adopted under  
 36 section 32 of this chapter, "base assessed value" means the net assessed  
 37 value of all of the land as finally determined for the assessment date  
 38 immediately preceding the effective date of the allocation provision, as  
 39 adjusted under section 26(h) of this chapter. However, "base assessed  
 40 value" does not include the value of real property improvements to the  
 41 land.

42 (b) The special fund established under section 26(b) of this chapter

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1 for the allocation area for a program adopted under section 32 of this  
 2 chapter may be used only for purposes related to the accomplishment  
 3 of the program, including the following:

4 (1) The construction, rehabilitation, or repair of residential units  
 5 within the allocation area.

6 (2) The construction, reconstruction, or repair of infrastructure  
 7 (such as streets, sidewalks, and sewers) within ~~or serving~~ the  
 8 allocation area.

9 (3) The acquisition of real property and interests in real property  
 10 within the allocation area.

11 (4) The demolition of real property within the allocation area.

12 (5) To provide financial assistance to enable individuals and  
 13 families to purchase or lease residential units within the allocation  
 14 area. However, financial assistance may be provided only to those  
 15 individuals and families whose income is at or below the county's  
 16 median income for individuals and families, respectively.

17 (6) To provide financial assistance to neighborhood development  
 18 corporations to permit them to provide financial assistance for the  
 19 purposes described in subdivision (5).

20 (7) For property taxes first due and payable before 2009, to  
 21 provide each taxpayer in the allocation area a credit for property  
 22 tax replacement as determined under subsections (c) and (d).  
 23 However, this credit may be provided by the commission only if  
 24 the city-county legislative body establishes the credit by  
 25 ordinance adopted in the year before the year in which the credit  
 26 is provided.

27 (c) The maximum credit that may be provided under subsection  
 28 (b)(7) to a taxpayer in a taxing district that contains all or part of an  
 29 allocation area established for a program adopted under section 32 of  
 30 this chapter shall be determined as follows:

31 STEP ONE: Determine that part of the sum of the amounts  
 32 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)  
 33 through IC 6-1.1-21-2(g)(5) (before their repeal) that is  
 34 attributable to the taxing district.

35 STEP TWO: Divide:

36 (A) that part of each county's eligible property tax replacement  
 37 amount (as defined in IC 6-1.1-21-2 (before its repeal)) for  
 38 that year as determined under IC 6-1.1-21-4(a)(1) (before its  
 39 repeal) that is attributable to the taxing district; by

40 (B) the amount determined under STEP ONE.

41 STEP THREE: Multiply:

42 (A) the STEP TWO quotient; by

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1 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its  
2 repeal)) levied in the taxing district allocated to the allocation  
3 fund, including the amount that would have been allocated but  
4 for the credit.

5 (d) Except as provided in subsection (g), the commission may  
6 determine to grant to taxpayers in an allocation area from its allocation  
7 fund a credit under this section, as calculated under subsection (c), by  
8 applying one-half (1/2) of the credit to each installment of taxes (as  
9 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9  
10 are due and payable in a year. Except as provided in subsection (g),  
11 one-half (1/2) of the credit shall be applied to each installment of taxes  
12 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must  
13 provide for the credit annually by a resolution and must find in the  
14 resolution the following:

15 (1) That the money to be collected and deposited in the allocation  
16 fund, based upon historical collection rates, after granting the  
17 credit will equal the amounts payable for contractual obligations  
18 from the fund, plus ten percent (10%) of those amounts.

19 (2) If bonds payable from the fund are outstanding, that there is  
20 a debt service reserve for the bonds that at least equals the amount  
21 of the credit to be granted.

22 (3) If bonds of a lessor under section 17.1 of this chapter or under  
23 IC 36-1-10 are outstanding and if lease rentals are payable from  
24 the fund, that there is a debt service reserve for those bonds that  
25 at least equals the amount of the credit to be granted.

26 If the tax increment is insufficient to grant the credit in full, the  
27 commission may grant the credit in part, prorated among all taxpayers.

28 (e) Notwithstanding section 26(b) of this chapter, the special fund  
29 established under section 26(b) of this chapter for the allocation area  
30 for a program adopted under section 32 of this chapter may only be  
31 used to do one (1) or more of the following:

32 (1) Accomplish one (1) or more of the actions set forth in section  
33 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

34 (2) Reimburse the consolidated city for expenditures made by the  
35 city in order to accomplish the housing program in that allocation  
36 area.

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

39 (f) Notwithstanding section 26(b) of this chapter, the commission  
40 shall, relative to the special fund established under section 26(b) of this  
41 chapter for an allocation area for a program adopted under section 32  
42 of this chapter, do the following before July 15 of each year:

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1 (1) Determine the amount, if any, by which the assessed value of  
2 the taxable property in the allocation area, when multiplied by the  
3 estimated tax rate of the allocation area, will exceed the amount  
4 of assessed value needed to produce the property taxes necessary  
5 to:  
6 (A) make the distribution required under section 26(b)(2) of  
7 this chapter;  
8 (B) make, when due, principal and interest payments on bonds  
9 described in section 26(b)(3) of this chapter;  
10 (C) pay the amount necessary for other purposes described in  
11 section 26(b)(3) of this chapter; and  
12 (D) reimburse the consolidated city for anticipated  
13 expenditures described in subsection (e)(2).  
14 (2) Provide a written notice to the county auditor, the legislative  
15 body of the consolidated city, and the officers who are authorized  
16 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
17 each of the other taxing units that is wholly or partly located  
18 within the allocation area. The notice must:  
19 (A) state the amount, if any, of excess assessed value that the  
20 commission has determined may be allocated to the respective  
21 taxing units in the manner prescribed in section 26(b)(1) of  
22 this chapter; or  
23 (B) state that the commission has determined that there is no  
24 excess assessed value that may be allocated to the respective  
25 taxing units in the manner prescribed in section 26(b)(1) of  
26 this chapter.  
27 The county auditor shall allocate to the respective taxing units the  
28 amount, if any, of excess assessed value determined by the  
29 commission.  
30 (g) This subsection applies to an allocation area only to the extent  
31 that the net assessed value of property that is assessed as residential  
32 property under the rules of the department of local government finance  
33 is not included in the base assessed value. If property tax installments  
34 with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its  
35 repeal)) are due in installments established by the department of local  
36 government finance under IC 6-1.1-22-9.5, each taxpayer subject to  
37 those installments in an allocation area is entitled to an additional  
38 credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2  
39 (before its repeal)) due in installments. The credit shall be applied in  
40 the same proportion to each installment of taxes (as defined in  
41 IC 6-1.1-21-2 (before its repeal)).  
42 SECTION 7. IC 36-7-15.1-53, AS AMENDED BY P.L.112-2012,

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1 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2013]: Sec. 53. (a) As used in this section:

3 "Allocation area" means that part of a redevelopment project area  
4 to which an allocation provision of a resolution adopted under section  
5 40 of this chapter refers for purposes of distribution and allocation of  
6 property taxes.

7 "Base assessed value" means:

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

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

17 Except as provided in section 55 of this chapter, "property taxes"  
18 means taxes imposed under IC 6-1.1 on real property.

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

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1 outstanding. The allocation provision may apply to all or part of the  
 2 redevelopment project area. The allocation provision must require that  
 3 any property taxes subsequently levied by or for the benefit of any  
 4 public body entitled to a distribution of property taxes on taxable  
 5 property in the allocation area be allocated and distributed as follows:  
 6 (1) Except as otherwise provided in this section, the proceeds of  
 7 the taxes attributable to the lesser of:  
 8 (A) the assessed value of the property for the assessment date  
 9 with respect to which the allocation and distribution is made;  
 10 or  
 11 (B) the base assessed value;  
 12 shall be allocated to and, when collected, paid into the funds of  
 13 the respective taxing units.  
 14 (2) The excess of the proceeds of the property taxes imposed for  
 15 the assessment date with respect to which the allocation and  
 16 distribution is made that are attributable to taxes imposed after  
 17 being approved by the voters in a referendum or local public  
 18 question conducted after April 30, 2010, not otherwise included  
 19 in subdivision (1) shall be allocated to and, when collected, paid  
 20 into the funds of the taxing unit for which the referendum or local  
 21 public question was conducted.  
 22 (3) Except as otherwise provided in this section, property tax  
 23 proceeds in excess of those described in subdivisions (1) and (2)  
 24 shall be allocated to the redevelopment district and, when  
 25 collected, paid into a special fund for that allocation area that may  
 26 be used by the redevelopment district only to do one (1) or more  
 27 of the following:  
 28 (A) Pay the principal of and interest on any obligations  
 29 payable solely from allocated tax proceeds that are incurred by  
 30 the redevelopment district for the purpose of financing or  
 31 refinancing the redevelopment of that allocation area.  
 32 (B) Establish, augment, or restore the debt service reserve for  
 33 bonds payable solely or in part from allocated tax proceeds in  
 34 that allocation area.  
 35 (C) Pay the principal of and interest on bonds payable from  
 36 allocated tax proceeds in that allocation area and from the  
 37 special tax levied under section 50 of this chapter.  
 38 (D) Pay the principal of and interest on bonds issued by the  
 39 excluded city to pay for local public improvements that are  
 40 physically located in or physically connected to that allocation  
 41 area.  
 42 (E) Pay premiums on the redemption before maturity of bonds

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- 1 payable solely or in part from allocated tax proceeds in that  
 2 allocation area.
- 3 (F) Make payments on leases payable from allocated tax  
 4 proceeds in that allocation area under section 46 of this  
 5 chapter.
- 6 (G) Reimburse the excluded city for expenditures for local  
 7 public improvements (which include buildings, park facilities,  
 8 and other items set forth in section 45 of this chapter) that are  
 9 physically located in ~~or physically connected to~~ that allocation  
 10 area.
- 11 (H) Reimburse the unit for rentals paid by it for a building or  
 12 parking facility that is physically located in ~~or physically~~  
 13 ~~connected to~~ that allocation area under any lease entered into  
 14 under IC 36-1-10.
- 15 (I) Reimburse public and private entities for expenses incurred  
 16 in training employees of industrial facilities that are **physically**  
 17 located:
- 18 (i) in the allocation area; and
- 19 (ii) on a parcel of real property that has been classified as  
 20 industrial property under the rules of the department of local  
 21 government finance.
- 22 However, the total amount of money spent for this purpose in  
 23 any year may not exceed the total amount of money in the  
 24 allocation fund that is attributable to property taxes paid by the  
 25 industrial facilities described in this clause. The  
 26 reimbursements under this clause must be made within three  
 27 (3) years after the date on which the investments that are the  
 28 basis for the increment financing are made.
- 29 The special fund may not be used for operating expenses of the  
 30 commission.
- 31 (4) Before July 15 of each year, the commission shall do the  
 32 following:
- 33 (A) Determine the amount, if any, by which the assessed value  
 34 of the taxable property in the allocation area for the most  
 35 recent assessment date minus the base assessed value, when  
 36 multiplied by the estimated tax rate of the allocation area, will  
 37 exceed the amount of assessed value needed to provide the  
 38 property taxes necessary to make, when due, principal and  
 39 interest payments on bonds described in subdivision (3) plus  
 40 the amount necessary for other purposes described in  
 41 subdivision (3) and subsection (g).
- 42 (B) Provide a written notice to the county auditor, the fiscal

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

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1 created under IC 5-28-15, the unit that designated the allocation area  
 2 shall create funds as specified in this subsection. A unit that has  
 3 obligations, bonds, or leases payable from allocated tax proceeds under  
 4 subsection (b)(3) shall establish an allocation fund for the purposes  
 5 specified in subsection (b)(3) and a special zone fund. Such a unit  
 6 shall, until the end of the enterprise zone phase out period, deposit each  
 7 year in the special zone fund the amount in the allocation fund derived  
 8 from property tax proceeds in excess of those described in subsection  
 9 (b)(1) and (b)(2) from property located in the enterprise zone that  
 10 exceeds the amount sufficient for the purposes specified in subsection  
 11 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 12 payable from allocated tax proceeds under subsection (b)(3) shall  
 13 establish a special zone fund and deposit all the property tax proceeds  
 14 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 15 derived from property tax proceeds in excess of those described in  
 16 subsection (b)(1) and (b)(2) from property located in the enterprise  
 17 zone. The unit that creates the special zone fund shall use the fund,  
 18 based on the recommendations of the urban enterprise association, for  
 19 one (1) or more of the following purposes:

20 (1) To pay for programs in job training, job enrichment, and basic  
 21 skill development designed to benefit residents and employers in  
 22 the enterprise zone. The programs must reserve at least one-half  
 23 (1/2) of the enrollment in any session for residents of the  
 24 enterprise zone.

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

29 (A) Businesses operating in the enterprise zone.

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

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

37 (h) The state board of accounts and department of local government  
 38 finance shall make the rules and prescribe the forms and procedures  
 39 that they consider expedient for the implementation of this chapter.  
 40 After each general reassessment of real property in an area under  
 41 IC 6-1.1-4-4 or reassessment under a county's reassessment plan  
 42 prepared under IC 6-1.1-4-4.2, the department of local government

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

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

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

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

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

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

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

32 SECTION 8. IC 36-7-25-1 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 1. **(a) Except as**  
 34 **provided in subsection (b)**, this chapter applies to all units having a  
 35 department of redevelopment under IC 36-7-14-3 or a department of  
 36 metropolitan development as the redevelopment commission of a  
 37 consolidated city or excluded city under IC 36-7-15.1.

38 **(b) Section 8 of this chapter applies to an allocation area,**  
 39 **economic development project district, economic development tax**  
 40 **area, or a certified technology park located in any of the following:**

41 **(1) A unit having a department of redevelopment under**  
 42 **IC 36-7-14-3.**



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1           **(2) A unit having a department of metropolitan development**  
 2           **as the redevelopment commission of a consolidated city or**  
 3           **excluded city under IC 36-7-15.1.**

4           **(3) A unit that:**

5               **(A) has a military base reuse authority established under**  
 6               **IC 36-7-30; and**

7               **(B) is located outside the boundaries of a county with a**  
 8               **consolidated city.**

9           **(4) A unit that has created a development authority under**  
 10           **IC 36-7-30.5.**

11           **(5) A city described in IC 36-7-26-1.**

12           **(6) A county having a consolidated city.**

13           SECTION 9. IC 36-7-25-3, AS AMENDED BY P.L.185-2005,  
 14           SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15           JULY 1, 2013]: Sec. 3. (a) Projects, improvements, or purposes that  
 16           may be financed by a commission in redevelopment project areas or  
 17           economic development areas may be financed if the projects,  
 18           improvements, or purposes are **not physically** located in those areas or  
 19           the redevelopment district. ~~as long as the projects, improvements, or~~  
 20           purposes directly serve or benefit those areas:

21               (b) This subsection applies only to counties having a consolidated  
 22           city. A metropolitan development commission acting as the  
 23           redevelopment commission of the consolidated city may finance  
 24           projects, improvements, or purposes that are located in the county and  
 25           **are physically located** in a reuse area established under IC 36-7-30,  
 26           even though the reuse area is not located in the redevelopment district.  
 27           However, at the time this financing is initiated, the redevelopment  
 28           commission must make a finding that the project, improvement, or  
 29           purpose will serve or benefit the redevelopment district.

30           SECTION 10. IC 36-7-25-8 IS ADDED TO THE INDIANA CODE  
 31           AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 32           1, 2013]: **Sec. 8. (a) After June 30, 2013, the following may not**  
 33           **finance a project that is not physically located in an allocation area,**  
 34           **an economic development project district, an economic**  
 35           **development tax area, or a certified technology park subject to its**  
 36           **authority:**

37               **(1) A redevelopment commission established under**  
 38               **IC 36-7-14.**

39               **(2) The metropolitan development commission acting as the**  
 40               **redevelopment commission of a consolidated city.**

41               **(3) A military base reuse authority established under**  
 42               **IC 36-7-30.**

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1           **(4) A development authority established under IC 36-7-30.5.**  
 2           **(b) Subsection (a) does not apply to a project financed by a**  
 3           **commission or authority described in subsection (a) if the**  
 4           **commission or authority, by resolution, approves financing for the**  
 5           **project before July 1, 2013.**

6           SECTION 11. IC 36-7-26-25, AS AMENDED BY P.L.146-2008,  
 7           SECTION 769, IS AMENDED TO READ AS FOLLOWS  
 8           [EFFECTIVE JULY 1, 2013]: Sec. 25. The board may not approve a  
 9           resolution under section 16 of this chapter until the board has satisfied  
 10          itself that the city in which the proposed district will be established has  
 11          maximized the use of tax increment financing under IC 36-7-14 or  
 12          IC 36-7-14.5 to finance public improvements within ~~or serving~~ the  
 13          proposed district. The city may not grant property tax abatements to the  
 14          taxpayers within the proposed district or a district, except that the board  
 15          may approve a resolution under section 16 of this chapter in the  
 16          proposed district or a district in which real property tax abatement not  
 17          to exceed three (3) years has been granted.

18          SECTION 12. IC 36-7-27-11 IS AMENDED TO READ AS  
 19          FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 11. (a) A commission  
 20          may establish a tax area according to the procedures set forth for the  
 21          establishment of economic development areas under IC 36-7-15.1.  
 22          Notwithstanding any other law, the tax area must be wholly within an  
 23          airport development zone established under IC 8-22-3.5 or within any  
 24          other area in the county in which there is located a provider of services,  
 25          equipment, or both to the United States armed forces.

26          (b) In establishing the tax area, the commission must make the  
 27          following findings in lieu of the findings required for the establishment  
 28          of economic development areas:

29               (1) That a project to be undertaken or that has been undertaken in  
 30               the area is a qualified economic development tax project.

31               (2) That the local public improvements (as defined in  
 32               IC 36-7-15.3-6) being constructed, acquired, or provided or to be  
 33               constructed, acquired, or provided in ~~or serving~~ the tax area will  
 34               benefit the public health and welfare and will be of public utility  
 35               and benefit.

36               (3) That the qualified economic development tax project being  
 37               constructed, acquired, or provided or to be constructed, acquired,  
 38               or provided in ~~or serving~~ the tax area will protect or increase state  
 39               and local tax bases or revenues.

40          (c) In addition to the findings required under subsection (b), the  
 41          commission may find that the qualified economic development project  
 42          involves a provider of services, equipment, or both to the United States

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armed forces.

(d) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

SECTION 13. IC 36-7-27-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 14. The commission may issue bonds payable in whole or in part from money distributed from the fund to the commission to finance local public improvements under IC 36-7-15.1-17 or make lease rental payments in whole or in part from money distributed from the fund to the commission for a local public improvement under IC 36-7-15.1-17.1 and IC 36-7-15.1-17.2, including debt service payments on or lease rental payments for local public improvements under bonds issued or a lease entered into before January 1, 1992. Local public improvements to be financed by the commission ~~may~~ **must** be ~~in or serving~~ **physically located in** the tax area.

SECTION 14. IC 36-7-30-18, AS AMENDED BY P.L.219-2007, SECTION 134, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 18. (a) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in ~~or directly serving or benefiting~~ a military base reuse area, and in anticipation of the taxes allocated under section 25 of this chapter, other revenues of the district, or any combination of these sources, the reuse authority may by resolution issue the bonds of the special taxing district in the name of the unit.

(b) The reuse authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds or a facsimile of the seal must be printed on the bonds.

(c) The bonds must be executed by the appropriate officer of the unit, and attested by the unit's fiscal officer.

(d) The bonds are exempt from taxation for all purposes.

(e) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(f) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the reuse authority, from any of the following:

- (1) The tax proceeds allocated under section 25 of this chapter.
- (2) Other revenues available to the reuse authority.
- (3) A combination of the methods stated in subdivisions (1)

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1 through (2).  
2 If the bonds are payable solely from the tax proceeds allocated under  
3 section 25 of this chapter, other revenues of the reuse authority, or any  
4 combination of these sources, the bonds may be issued in any amount  
5 without limitation.

6 (g) Proceeds from the sale of bonds may be used to pay the cost of  
7 interest on the bonds for a period not to exceed five (5) years after the  
8 date of issuance.

9 (h) All laws relating to the filing of petitions requesting the issuance  
10 of bonds and the right of taxpayers and voters to remonstrate against  
11 the issuance of bonds do not apply to bonds issued under this chapter.

12 (i) If a debt service reserve is created from the proceeds of bonds,  
13 the debt service reserve may be used to pay principal and interest on  
14 the bonds as provided in the bond resolution.

15 (j) If bonds are issued under this chapter that are payable solely or  
16 in part from revenues of the reuse authority, the reuse authority may  
17 adopt a resolution or trust indenture or enter into covenants as is  
18 customary in the issuance of revenue bonds. The resolution or trust  
19 indenture may pledge or assign revenues of the reuse authority and  
20 properties becoming available to the reuse authority under this chapter.  
21 The resolution or trust indenture may also contain provisions for  
22 protecting and enforcing the rights and remedies of the bond owners as  
23 may be reasonable and proper and not in violation of law, including a  
24 covenant setting forth the duties of the reuse authority. The reuse  
25 authority may establish fees and charges for the use of any project and  
26 covenant with the owners of any bonds to set the fees and charges at a  
27 rate sufficient to protect the interest of the owners of the bonds.  
28 Revenue bonds issued by the reuse authority that are payable solely  
29 from revenues of the reuse authority shall contain a statement to that  
30 effect in the form of the bond.

31 SECTION 15. IC 36-7-30-25, AS AMENDED BY P.L.112-2012,  
32 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 JULY 1, 2013]: Sec. 25. (a) The following definitions apply throughout  
34 this section:

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

39 (2) "Base assessed value" means:  
40 (A) the net assessed value of all the property as finally  
41 determined for the assessment date immediately preceding the  
42 adoption 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) or (C), the  
 3 net assessed value of any and all parcels or classes of parcels  
 4 identified as part of the base assessed value in the declaratory  
 5 resolution or an amendment thereto, as finally determined for  
 6 any subsequent assessment date; plus  
 7 (C) to the extent that it is not included in clause (A) or (B), the  
 8 net assessed value of property that is assessed as residential  
 9 property under the rules of the department of local government  
 10 finance, as finally determined for any assessment date after the  
 11 effective date of the allocation provision.

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

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

18 (b) A declaratory resolution adopted under section 10 of this chapter  
 19 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 20 resolutions adopted under IC 36-7-14-15 may include a provision with  
 21 respect to the allocation and distribution of property taxes for the  
 22 purposes and in the manner provided in this section. A declaratory  
 23 resolution previously adopted may include an allocation provision by  
 24 the amendment of that declaratory resolution in accordance with the  
 25 procedures set forth in section 13 of this chapter. The allocation  
 26 provision may apply to all or part of the military base reuse area. The  
 27 allocation provision must require that any property taxes subsequently  
 28 levied by or for the benefit of any public body entitled to a distribution  
 29 of property taxes on taxable property in the allocation area be allocated  
 30 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 are 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 military base reuse district and, when  
 8 collected, paid into an allocation fund for that allocation area that  
 9 may be used by the military base reuse district and only to do one  
 10 (1) or more of the following:

11 (A) Pay the principal of and interest and redemption premium  
 12 on any obligations incurred by the military base reuse district  
 13 or any other entity for the purpose of financing or refinancing  
 14 military base reuse activities in ~~or directly serving or~~  
 15 ~~benefiting~~ that allocation area.

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

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

22 (D) Reimburse any other governmental body for expenditures  
 23 made for local public improvements (or structures) in ~~or~~  
 24 ~~directly serving or benefiting~~ that allocation area.

25 (E) Pay expenses incurred by the reuse authority, any other  
 26 department of the unit, or a department of another  
 27 governmental entity for local public improvements or  
 28 structures that are in the allocation area, ~~or directly serving or~~  
 29 ~~benefiting the allocation area~~; including expenses for the  
 30 operation and maintenance of these local public improvements  
 31 or structures if the reuse authority determines those operation  
 32 and maintenance expenses are necessary or desirable to carry  
 33 out the purposes of this chapter.

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

37 (i) in the allocation area; and

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

41 However, the total amount of money spent for this purpose in  
 42 any year may not exceed the total amount of money in the

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1 allocation fund that is attributable to property taxes paid by the  
2 industrial facilities described in this clause. The  
3 reimbursements under this clause must be made not more than  
4 three (3) years after the date on which the investments that are  
5 the basis for the increment financing are made.

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

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

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

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

- 22 (i) state the amount, if any, of excess property taxes that the  
23 reuse authority has determined may be paid to the respective  
24 taxing units in the manner prescribed in subdivision (1); or
- 25 (ii) state that the reuse authority has determined that there  
26 are no excess property tax proceeds that may be allocated to  
27 the respective taxing units in the manner prescribed in  
28 subdivision (1).

29 The county auditor shall allocate to the respective taxing units  
30 the amount, if any, of excess property tax proceeds determined  
31 by the reuse authority. The reuse authority may not authorize  
32 a payment to the respective taxing units under this subdivision  
33 if to do so would endanger the interest of the holders of bonds  
34 described in subdivision (3) or lessors under section 19 of this  
35 chapter.

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

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

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

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

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

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

17 (g) If any part of the allocation area is located in an enterprise zone  
 18 created under IC 5-28-15, the unit that designated the allocation area  
 19 shall create funds as specified in this subsection. A unit that has  
 20 obligations, bonds, or leases payable from allocated tax proceeds under  
 21 subsection (b)(3) shall establish an allocation fund for the purposes  
 22 specified in subsection (b)(3) and a special zone fund. Such a unit  
 23 shall, until the end of the enterprise zone phase out period, deposit each  
 24 year in the special zone fund any amount in the allocation fund derived  
 25 from property tax proceeds in excess of those described in subsection  
 26 (b)(1) and (b)(2) from property located in the enterprise zone that  
 27 exceeds the amount sufficient for the purposes specified in subsection  
 28 (b)(3) for the year. The amount sufficient for purposes specified in  
 29 subsection (b)(3) for the year shall be determined based on the pro rata  
 30 part of such current property tax proceeds from the part of the  
 31 enterprise zone that is within the allocation area as compared to all  
 32 such current property tax proceeds derived from the allocation area. A  
 33 unit that does not have obligations, bonds, or leases payable from  
 34 allocated tax proceeds under subsection (b)(3) shall establish a special  
 35 zone fund and deposit all the property tax proceeds in excess of those  
 36 described in subsection (b)(1) and (b)(2) that are derived from property  
 37 in the enterprise zone in the fund. The unit that creates the special zone  
 38 fund shall use the fund (based on the recommendations of the urban  
 39 enterprise association) for programs in job training, job enrichment,  
 40 and basic skill development that are designed to benefit residents and  
 41 employers in the enterprise zone or other purposes specified in  
 42 subsection (b)(3), except that where reference is made in subsection

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1 (b)(3) to allocation area it shall refer for purposes of payments from the  
 2 special zone fund only to that part of the allocation area that is also  
 3 located in the enterprise zone. The programs shall reserve at least  
 4 one-half (1/2) of their enrollment in any session for residents of the  
 5 enterprise zone.

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

25 SECTION 16. IC 36-7-30.5-23, AS AMENDED BY P.L.219-2007,  
 26 SECTION 137, IS AMENDED TO READ AS FOLLOWS  
 27 [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) In addition to other methods  
 28 of raising money for property acquisition, redevelopment, reuse, or  
 29 economic development activities in ~~or directly serving or benefiting~~ a  
 30 military base development area, and in anticipation of the taxes  
 31 allocated under section 30 of this chapter, other revenues of the district,  
 32 or any combination of these sources, the development authority may by  
 33 resolution issue the bonds of the development authority.

34 (b) The secretary-treasurer of the development authority shall  
 35 prepare the bonds. The seal of the development authority must be  
 36 impressed on the bonds or a facsimile of the seal must be printed on the  
 37 bonds.

38 (c) The bonds must be executed by the president of the development  
 39 authority and attested by the secretary-treasurer.

40 (d) The bonds are exempt from taxation for all purposes.

41 (e) Bonds issued under this section may be sold at public sale in  
 42 accordance with IC 5-1-11 or at a negotiated sale.

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1 (f) The bonds are not a corporate obligation of a unit but are an  
2 indebtedness of only the development authority. The bonds and interest  
3 are payable, as set forth in the bond resolution of the development  
4 authority, from any of the following:

- 5 (1) The tax proceeds allocated under section 30 of this chapter.
- 6 (2) Other revenues available to the development authority.
- 7 (3) A combination of the methods stated in subdivisions (1)
- 8 through (2).

9 The bonds issued under this section may be issued in any amount  
10 without limitation.

11 (g) Proceeds from the sale of bonds may be used to pay the cost of  
12 interest on the bonds for a period not to exceed five (5) years after the  
13 date of issuance.

14 (h) All laws relating to the filing of petitions requesting the issuance  
15 of bonds and the right of taxpayers and voters to remonstrate against  
16 the issuance of bonds do not apply to bonds issued under this chapter.

17 (i) If a debt service reserve is created from the proceeds of bonds,  
18 the debt service reserve may be used to pay principal and interest on  
19 the bonds as provided in the bond resolution.

20 (j) If bonds are issued under this chapter that are payable solely or  
21 in part from revenues of the development authority, the development  
22 authority may adopt a resolution or trust indenture or enter into  
23 covenants as is customary in the issuance of revenue bonds. The  
24 resolution or trust indenture may pledge or assign revenues of the  
25 development authority and properties becoming available to the  
26 development authority under this chapter. The resolution or trust  
27 indenture may also contain provisions for protecting and enforcing the  
28 rights and remedies of the bond owners as may be reasonable and  
29 proper and not in violation of law, including a covenant setting forth  
30 the duties of the development authority. The development authority  
31 may establish fees and charges for the use of any project and covenant  
32 with the owners of any bonds to set the fees and charges at a rate  
33 sufficient to protect the interest of the owners of the bonds. Revenue  
34 bonds issued by the development authority that are payable solely from  
35 revenues of the development authority shall contain a statement to that  
36 effect in the form of the bond.

37 SECTION 17. IC 36-7-30.5-30, AS AMENDED BY P.L. 112-2012,  
38 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2013]: Sec. 30. (a) The following definitions apply throughout  
40 this section:

- 41 (1) "Allocation area" means that part of a military base
- 42 development area to which an allocation provision of a

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1 declaratory resolution adopted under section 16 of this chapter  
2 refers for purposes of distribution and allocation of property taxes.

3 (2) "Base assessed value" means:

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

8 (B) to the extent that it is not included in clause (A) or (C), the  
9 net assessed value of any and all parcels or classes of parcels  
10 identified as part of the base assessed value in the declaratory  
11 resolution or an amendment to the declaratory resolution, as  
12 finally determined for any subsequent assessment date; plus  
13 (C) to the extent that it is not included in clause (A) or (B), the  
14 net assessed value of property that is assessed as residential  
15 property under the rules of the department of local government  
16 finance, as finally determined for any assessment date after the  
17 effective date of the allocation provision.

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

20 (b) A declaratory resolution adopted under section 16 of this chapter  
21 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
22 resolutions adopted under IC 36-7-14-15 may include a provision with  
23 respect to the allocation and distribution of property taxes for the  
24 purposes and in the manner provided in this section. A declaratory  
25 resolution previously adopted may include an allocation provision by  
26 the amendment of that declaratory resolution in accordance with the  
27 procedures set forth in section 18 of this chapter. The allocation  
28 provision may apply to all or part of the military base development  
29 area. The allocation provision must require that any property taxes  
30 subsequently levied by or for the benefit of any public body entitled to  
31 a distribution of property taxes on taxable property in the allocation  
32 area be allocated and distributed as follows:

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

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

38 (B) the base assessed value;

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

41 (2) The excess of the proceeds of the property taxes imposed for  
42 the assessment date with respect to which the allocation and

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1 distribution is made that are attributable to taxes imposed after  
 2 being approved by the voters in a referendum or local public  
 3 question conducted after April 30, 2010, not otherwise included  
 4 in subdivision (1) shall be allocated to and, when collected, paid  
 5 into the funds of the taxing unit for which the referendum or local  
 6 public question was conducted.

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

13 (A) Pay the principal of and interest and redemption premium  
 14 on any obligations incurred by the development authority or  
 15 any other entity for the purpose of financing or refinancing  
 16 military base development or reuse activities in ~~or directly~~  
 17 ~~serving or benefiting~~ that allocation area.

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

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

24 (D) Reimburse any other governmental body for expenditures  
 25 made for local public improvements (or structures) in ~~or~~  
 26 ~~directly serving or benefiting~~ that allocation area.

27 (E) For property taxes first due and payable before 2009, pay  
 28 all or a part of a property tax replacement credit to taxpayers  
 29 in an allocation area as determined by the development  
 30 authority. This credit equals the amount determined under the  
 31 following STEPS for each taxpayer in a taxing district (as  
 32 defined in IC 6-1.1-1-20) that contains all or part of the  
 33 allocation area:

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

39 STEP TWO: Divide:

40 (i) that part of each county's eligible property tax  
 41 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 42 repeal)) for that year as determined under IC 6-1.1-21-4

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1 (before its repeal) that is attributable to the taxing district;  
 2 by  
 3 (ii) the STEP ONE sum.  
 4 STEP THREE: Multiply:  
 5 (i) the STEP TWO quotient; by  
 6 (ii) the total amount of the taxpayer's taxes (as defined in  
 7 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 8 that have been allocated during that year to an allocation  
 9 fund under this section.  
 10 If not all the taxpayers in an allocation area receive the credit  
 11 in full, each taxpayer in the allocation area is entitled to  
 12 receive the same proportion of the credit. A taxpayer may not  
 13 receive a credit under this section and a credit under section  
 14 32 of this chapter (before its repeal) in the same year.  
 15 (F) Pay expenses incurred by the development authority for  
 16 local public improvements or structures that were in the  
 17 allocation area. ~~or directly serving or benefiting the allocation~~  
 18 ~~area.~~  
 19 (G) Reimburse public and private entities for expenses  
 20 incurred in training employees of industrial facilities that are  
 21 located:  
 22 (i) in the allocation area; and  
 23 (ii) on a parcel of real property that has been classified as  
 24 industrial property under the rules of the department of local  
 25 government finance.  
 26 However, the total amount of money spent for this purpose in  
 27 any year may not exceed the total amount of money in the  
 28 allocation fund that is attributable to property taxes paid by the  
 29 industrial facilities described in this clause. The  
 30 reimbursements under this clause must be made not more than  
 31 three (3) years after the date on which the investments that are  
 32 the basis for the increment financing are made.  
 33 The allocation fund may not be used for operating expenses of the  
 34 development authority.  
 35 (4) Except as provided in subsection (g), before July 15 of each  
 36 year the development authority shall do the following:  
 37 (A) Determine the amount, if any, by which property taxes  
 38 payable to the allocation fund in the following year will exceed  
 39 the amount of property taxes necessary to make, when due,  
 40 principal and interest payments on bonds described in  
 41 subdivision (3) plus the amount necessary for other purposes  
 42 described in subdivisions (2) and (3).

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

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

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

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

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

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

30 (2) the base assessed value.

31 (d) Property tax proceeds allocable to the military base development  
 32 district under subsection (b)(3) may, subject to subsection (b)(4), be  
 33 irrevocably pledged by the military base development district for  
 34 payment as set forth in subsection (b)(3).

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

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

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

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

37 (h) After each general reassessment of real property in an area under  
 38 IC 6-1.1-4-4 or reassessment under a reassessment plan prepared under  
 39 IC 6-1.1-4-4.2, the department of local government finance shall adjust  
 40 the base assessed value one (1) time to neutralize any effect of the  
 41 reassessment of the real property in the area on the property tax  
 42 proceeds allocated to the military base development district under this

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

14 SECTION 18. IC 36-7-32-23, AS AMENDED BY P.L.1-2006,  
 15 SECTION 571, IS AMENDED TO READ AS FOLLOWS  
 16 [EFFECTIVE JULY 1, 2013]: Sec. 23. (a) Each redevelopment  
 17 commission that establishes a certified technology park under this  
 18 chapter shall establish a certified technology park fund to receive:

19 (1) property tax proceeds allocated under section 17 of this  
 20 chapter; and

21 (2) money distributed to the redevelopment commission under  
 22 section 22 of this chapter.

23 (b) Money deposited in the certified technology park fund may be  
 24 used by the redevelopment commission only for one (1) or more of the  
 25 following purposes:

26 (1) Acquisition, improvement, preparation, demolition, disposal,  
 27 construction, reconstruction, remediation, rehabilitation,  
 28 restoration, preservation, maintenance, repair, furnishing, and  
 29 equipping of public facilities.

30 (2) Operation of public facilities described in section 9(2) of this  
 31 chapter.

32 (3) Payment of the principal of and interest on any obligations  
 33 that are payable solely or in part from money deposited in the  
 34 fund and that are incurred by the redevelopment commission for  
 35 the purpose of financing or refinancing the development of public  
 36 facilities in the certified technology park.

37 (4) Establishment, augmentation, or restoration of the debt service  
 38 reserve for obligations described in subdivision (3).

39 (5) Payment of the principal of and interest on bonds issued by the  
 40 unit to pay for public facilities in ~~or serving~~ the certified  
 41 technology park.

42 (6) Payment of premiums on the redemption before maturity of

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- 1 bonds described in subdivision (3).
- 2 (7) Payment of amounts due under leases payable from money
- 3 deposited in the fund.
- 4 (8) Reimbursement to the unit for expenditures made by it for
- 5 public facilities in ~~or serving~~ the certified technology park.
- 6 (9) Payment of expenses incurred by the redevelopment
- 7 commission for public facilities that are in the certified
- 8 technology park. ~~or serving the certified technology park.~~
- 9 (10) For any purpose authorized by an agreement between
- 10 redevelopment commissions entered into under section 26 of this
- 11 chapter.
- 12 (c) The certified technology park fund may not be used for operating
- 13 expenses of the redevelopment commission.

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