



January 24, 2014

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## SENATE BILL No. 156

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DIGEST OF SB 156 (Updated January 21, 2014 1:09 pm - DI 73)

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

**Synopsis:** Redevelopment commissions. Provides that a redevelopment commission may, subject to prior approval by the unit's fiscal body, provide financial assistance to the owner of commercial property within a redevelopment project area or economic development area designated by the redevelopment commission to assist the owner in constructing, rehabilitating, or repairing the commercial property. Provides that the additional authority for a redevelopment commission to provide such financial assistance expires July 1, 2019. Specifies that the fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for such financial assistance. Provides that the terms of any loan made under the provisions in the bill may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission.

**Effective:** July 1, 2014.

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### Head, Buck, Broden

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January 8, 2014, read first time and referred to Committee on Tax and Fiscal Policy.  
January 23, 2014, amended, reported favorably — Do Pass.

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SB 156—LS 6255/DI 73





January 24, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 156

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

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

- 1 SECTION 1. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007,  
2 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2014]: Sec. 12.2. (a) The redevelopment commission may do  
4 the following:  
5 (1) Acquire by purchase, exchange, gift, grant, condemnation, or  
6 lease, or any combination of methods, any personal property or  
7 interest in real property needed for the redevelopment of areas  
8 needing redevelopment that are located within the corporate  
9 boundaries of the unit.  
10 (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
11 other instrument), exchange, lease, rent, or otherwise dispose of  
12 property acquired for use in the redevelopment of areas needing  
13 redevelopment on the terms and conditions that the commission  
14 considers best for the unit and its inhabitants.  
15 (3) Sell, lease, or grant interests in all or part of the real property  
16 acquired for redevelopment purposes to any other department of

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



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



1 (27) Require as a condition of financial assistance to the owner of  
 2 a multiple unit residential structure that any of the units leased by  
 3 the owner must be leased:

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

6 (B) to families whose income does not exceed eighty percent  
 7 (80%) of the unit's median income for families; and

8 (C) at an affordable rate.

9 **(28) Subject to prior approval by the fiscal body of the unit**  
 10 **that established the redevelopment commission, provide**  
 11 **financial assistance (including grants and loans) to the owner**  
 12 **of commercial property within a redevelopment project area**  
 13 **or economic development area designated by the**  
 14 **redevelopment commission under this chapter to assist the**  
 15 **owner in constructing, rehabilitating, or repairing the**  
 16 **commercial property. The fiscal body of the unit that**  
 17 **established the redevelopment commission must separately**  
 18 **approve each grant, loan, or other expenditure for financial**  
 19 **assistance under this subdivision. The terms of any loan that**  
 20 **is made under this subdivision may be changed only if the**  
 21 **change is approved by the fiscal body of the unit that**  
 22 **established the redevelopment commission. A redevelopment**  
 23 **commission may not provide financial assistance under this**  
 24 **subdivision after June 30, 2019. Financial assistance approved**  
 25 **or provided before July 1, 2013, that would have been**  
 26 **authorized by this subdivision if this subdivision (excluding**  
 27 **the requirement of prior approval by the fiscal body) had**  
 28 **been in effect when the assistance was approved or provided**  
 29 **is legalized and validated.**

30 (b) Conditions imposed by the commission under subsection (a)(27)  
 31 remain in force throughout the period determined under subsection  
 32 (a)(27)(A), even if the owner sells, leases, or conveys the property. The  
 33 subsequent owner or lessee is bound by the conditions for the  
 34 remainder of the period.

35 (c) As used in this section, "pedestrian skyway" means a pedestrian  
 36 walkway within or outside of the public right-of-way and through and  
 37 above public or private property and buildings, including all structural  
 38 supports required to connect skyways to buildings or buildings under  
 39 construction. Pedestrian skyways constructed, extended, or improved  
 40 over or through public or private property constitute public property  
 41 and public improvements, constitute a public use and purpose, and do  
 42 not require vacation of any public way or other property.



1 (d) All powers that may be exercised under this chapter by the  
 2 redevelopment commission may also be exercised by the  
 3 redevelopment commission in carrying out its duties and purposes  
 4 under IC 36-7-14.5.

5 SECTION 2. IC 36-7-14-39, AS AMENDED BY P.L.218-2013,  
 6 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2014]: Sec. 39. (a) As used in this section:

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

12 "Base assessed value" means the following:

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

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

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

25 (2) If an allocation provision is adopted after June 30, 1997, in a  
 26 declaratory resolution or an amendment to a declaratory  
 27 resolution establishing a redevelopment project 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 (3) If:

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

42 (B) after June 30, 1997, a new allocation provision is included



1 in an amendment to the declaratory resolution;  
 2 the net assessed value of all the property as finally determined for  
 3 the assessment date immediately preceding the effective date of  
 4 the allocation provision adopted after June 30, 1997, as adjusted  
 5 under subsection (h).

6 (4) Except as provided in subdivision (5), for all other allocation  
 7 areas, 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).

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

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

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

32 (b) A declaratory resolution adopted under section 15 of this chapter  
 33 on or before the allocation deadline determined under subsection (i)  
 34 may include a provision with respect to the allocation and distribution  
 35 of property taxes for the purposes and in the manner provided in this  
 36 section. A declaratory resolution previously adopted may include an  
 37 allocation provision by the amendment of that declaratory resolution on  
 38 or before the allocation deadline determined under subsection (i) in  
 39 accordance with the procedures required for its original adoption. A  
 40 declaratory resolution or an amendment that establishes an allocation  
 41 provision after June 30, 1995, must specify an expiration date for the  
 42 allocation provision. For an allocation area established before July 1,





1 2008, the expiration date may not be more than thirty (30) years after  
 2 the date on which the allocation provision is established. For an  
 3 allocation area established after June 30, 2008, the expiration date may  
 4 not be more than twenty-five (25) years after the date on which the first  
 5 obligation was incurred to pay principal and interest on bonds or lease  
 6 rentals on leases payable from tax increment revenues. However, with  
 7 respect to bonds or other obligations that were issued before July 1,  
 8 2008, if any of the bonds or other obligations that were scheduled when  
 9 issued to mature before the specified expiration date and that are  
 10 payable only from allocated tax proceeds with respect to the allocation  
 11 area remain outstanding as of the expiration date, the allocation  
 12 provision does not expire until all of the bonds or other obligations are  
 13 no longer outstanding. The allocation provision may apply to all or part  
 14 of the redevelopment project area. The allocation provision must  
 15 require that any property taxes subsequently levied by or for the benefit  
 16 of any public body entitled to a distribution of property taxes on taxable  
 17 property in the allocation area be allocated and distributed as follows:

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

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

23 (B) the base assessed value;

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

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

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

40 (A) Pay the principal of and interest on any obligations  
 41 payable solely from allocated tax proceeds which are incurred  
 42 by the redevelopment district for the purpose of financing or



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



- 1 by  
 2 (ii) the STEP ONE sum.  
 3 STEP THREE: Multiply:  
 4 (i) the STEP TWO quotient; times  
 5 (ii) the total amount of the taxpayer's taxes (as defined in  
 6 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
 7 that have been allocated during that year to an allocation  
 8 fund under this section.  
 9 If not all the taxpayers in an allocation area receive the credit  
 10 in full, each taxpayer in the allocation area is entitled to  
 11 receive the same proportion of the credit. A taxpayer may not  
 12 receive a credit under this section and a credit under section  
 13 39.5 of this chapter (before its repeal) in the same year.  
 14 (J) Pay expenses incurred by the redevelopment commission  
 15 for local public improvements that are in the allocation area or  
 16 serving the allocation area. Public improvements include  
 17 buildings, parking facilities, and other items described in  
 18 section 25.1(a) of this chapter.  
 19 (K) 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 within three  
 31 (3) years after the date on which the investments that are the  
 32 basis for the increment financing are made.  
 33 (L) Pay the costs of carrying out an eligible efficiency project  
 34 (as defined in IC 36-9-41-1.5) within the unit that established  
 35 the redevelopment commission. However, property tax  
 36 proceeds may be used under this clause to pay the costs of  
 37 carrying out an eligible efficiency project only if those  
 38 property tax proceeds exceed the amount necessary to do the  
 39 following:  
 40 (i) Make, when due, any payments required under clauses  
 41 (A) through (K), including any payments of principal and  
 42 interest on bonds and other obligations payable under this



- 1 subdivision, any payments of premiums under this
- 2 subdivision on the redemption before maturity of bonds, and
- 3 any payments on leases payable under this subdivision.
- 4 (ii) Make any reimbursements required under this
- 5 subdivision.
- 6 (iii) Pay any expenses required under this subdivision.
- 7 (iv) Establish, augment, or restore any debt service reserve
- 8 under this subdivision.

9 **(M) Provide financial assistance under section 12.2(a)(28)**  
 10 **of this chapter. The fiscal body of the unit that established**  
 11 **the redevelopment commission must separately approve**  
 12 **each grant, loan, or other expenditure for financial**  
 13 **assistance that is funded from allocated property taxes**  
 14 **under this clause. This clause expires July 1, 2019.**

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

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

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

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

- 34 (i) state the amount, if any, of excess assessed value that the
- 35 commission has determined may be allocated to the
- 36 respective taxing units in the manner prescribed in
- 37 subdivision (1); or
- 38 (ii) state that the commission has determined that there is no
- 39 excess assessed value that may be allocated to the respective
- 40 taxing units in the manner prescribed in subdivision (1).

41 The county auditor shall allocate to the respective taxing units  
 42 the amount, if any, of excess assessed value determined by the



1 commission. The commission may not authorize an allocation  
2 of assessed value to the respective taxing units under this  
3 subdivision if to do so would endanger the interests of the  
4 holders of bonds described in subdivision (3) or lessors under  
5 section 25.3 of this chapter.

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

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

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

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

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

- 27 (1) the assessed value of the property as valued without regard to  
28 this section; or
- 29 (2) the base assessed value.

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



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

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

- 35 (1) may not include the effect of phasing in assessed value due to  
36 property tax abatements under IC 6-1.1-12.1;  
37 (2) may not produce less property tax proceeds allocable to the  
38 redevelopment district under subsection (b)(3) than would  
39 otherwise have been received if the general reassessment, the  
40 reassessment under the reassessment plan, or the annual  
41 adjustment had not occurred; and  
42 (3) may decrease base assessed value only to the extent that



1           assessed values in the allocation area have been decreased due to  
2           annual adjustments or the reassessment under the reassessment  
3           plan.

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

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

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

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

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

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

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

24          SECTION 3. IC 36-7-15.1-7, AS AMENDED BY P.L.146-2008,  
25          SECTION 744, IS AMENDED TO READ AS FOLLOWS  
26          [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) In carrying out its duties and  
27          purposes under this chapter, the commission may do the following:

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

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

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



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





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



1           **financial assistance (including grants and loans) to the owner**  
 2           **of commercial property within a redevelopment project area**  
 3           **or economic development area designated by the**  
 4           **redevelopment commission under this chapter to assist the**  
 5           **owner in constructing, rehabilitating, or repairing the**  
 6           **commercial property. The fiscal body of the unit that**  
 7           **established the redevelopment commission must separately**  
 8           **approve each grant, loan, or other expenditure for financial**  
 9           **assistance under this subdivision. The terms of any loan that**  
 10           **is made under this subdivision may be changed only if the**  
 11           **change is approved by the fiscal body of the unit that**  
 12           **established the redevelopment commission. This subdivision**  
 13           **expires July 1, 2019.**

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

- 20           (1) The repair or rehabilitation of buildings or other  
 21           improvements by the commission, owners, or tenants.  
 22           (2) The acquisition of real property.  
 23           (3) Either of the following with respect to environmental  
 24           contamination on real property:  
 25                (A) Investigation.  
 26                (B) Remediation.  
 27           (4) The demolition and removal of buildings or improvements on  
 28           buildings acquired by the commission where necessary for any of  
 29           the following:  
 30                (A) To eliminate unhealthful, unsanitary, or unsafe conditions.  
 31                (B) To mitigate or eliminate environmental contamination.  
 32                (C) To lessen density.  
 33                (D) To reduce traffic hazards.  
 34                (E) To eliminate obsolete or other uses detrimental to public  
 35                welfare.  
 36                (F) To otherwise remove or prevent the conditions described  
 37                in IC 36-7-1-3.  
 38                (G) To provide land for needed public facilities.  
 39           (5) The preparation of sites and the construction of improvements  
 40           (such as public ways and utility connections) to facilitate the sale  
 41           or lease of property.  
 42           (6) The construction of buildings or facilities for residential,



1 commercial, industrial, public, or other uses.

2 (7) The disposition in accordance with this chapter, for uses in  
3 accordance with the plans for the projects, of any property  
4 acquired in connection with the projects.

5 (c) The commission may use its powers under this chapter relative  
6 to real property and interests in real property obtained by voluntary sale  
7 or transfer, even though the real property and interests in real property  
8 are not located in a redevelopment or urban renewal project area  
9 established by the adoption and confirmation of a resolution under  
10 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property  
11 and interests in real property outside of a redevelopment or urban  
12 renewal project area, the commission shall comply with section 12(b)  
13 through 12(e) of this chapter. The commission shall hold, develop, use,  
14 and dispose of this real property and interests in real property  
15 substantially in accordance with section 15 of this chapter.

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

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

27 SECTION 4. IC 36-7-15.1-26, AS AMENDED BY P.L.112-2012,  
28 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
29 JULY 1, 2014]: Sec. 26. (a) As used in this section:

30 "Allocation area" means that part of a redevelopment project area  
31 to which an allocation provision of a resolution adopted under section  
32 8 of this chapter refers for purposes of distribution and allocation of  
33 property taxes.

34 "Base assessed value" means the following:

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

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

42 (B) to the extent that it is not included in clause (A), the net



- 1           assessed value of property that is assessed as residential  
2           property under the rules of the department of local government  
3           finance, as finally determined for any assessment date after the  
4           effective date of the allocation provision.
- 5           (2) If an allocation provision is adopted after June 30, 1997, in a  
6           declaratory resolution or an amendment to a declaratory  
7           resolution establishing a redevelopment project area:  
8           (A) the net assessed value of all the property as finally  
9           determined for the assessment date immediately preceding the  
10          effective date of the allocation provision of the declaratory  
11          resolution, as adjusted under subsection (h); plus  
12          (B) to the extent that it is not included in clause (A), the net  
13          assessed value of property that is assessed as residential  
14          property under the rules of the department of local government  
15          finance, as finally determined for any assessment date after the  
16          effective date of the allocation provision.
- 17          (3) If:  
18          (A) an allocation provision adopted before June 30, 1995, in  
19          a declaratory resolution or an amendment to a declaratory  
20          resolution establishing a redevelopment project area expires  
21          after June 30, 1997; and  
22          (B) after June 30, 1997, a new allocation provision is included  
23          in an amendment to the declaratory resolution;  
24          the net assessed value of all the property as finally determined for  
25          the assessment date immediately preceding the effective date of  
26          the allocation provision adopted after June 30, 1997, as adjusted  
27          under subsection (h).
- 28          (4) Except as provided in subdivision (5), for all other allocation  
29          areas, the net assessed value of all the property as finally  
30          determined for the assessment date immediately preceding the  
31          effective date of the allocation provision of the declaratory  
32          resolution, as adjusted under subsection (h).
- 33          (5) If an allocation area established in an economic development  
34          area before July 1, 1995, is expanded after June 30, 1995, the  
35          definition in subdivision (1) applies to the expanded part of the  
36          area added after June 30, 1995.
- 37          (6) If an allocation area established in a redevelopment project  
38          area before July 1, 1997, is expanded after June 30, 1997, the  
39          definition in subdivision (2) applies to the expanded part of the  
40          area added after June 30, 1997.
- 41          Except as provided in section 26.2 of this chapter, "property taxes"  
42          means taxes imposed under IC 6-1.1 on real property. However, upon



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

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

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

42 (A) the assessed value of the property for the assessment date



1 with respect to which the allocation and distribution is made;  
 2 or  
 3 (B) the base assessed value;  
 4 shall be allocated to and, when collected, paid into the funds of  
 5 the respective taxing units.  
 6 (2) The excess of the proceeds of the property taxes imposed for  
 7 the assessment date with respect to which the allocation and  
 8 distribution is made that are attributable to taxes imposed after  
 9 being approved by the voters in a referendum or local public  
 10 question conducted after April 30, 2010, not otherwise included  
 11 in subdivision (1) shall be allocated to and, when collected, paid  
 12 into the funds of the taxing unit for which the referendum or local  
 13 public question was conducted.  
 14 (3) Except as otherwise provided in this section, property tax  
 15 proceeds in excess of those described in subdivisions (1) and (2)  
 16 shall be allocated to the redevelopment district and, when  
 17 collected, paid into a special fund for that allocation area that may  
 18 be used by the redevelopment district only to do one (1) or more  
 19 of the following:  
 20 (A) Pay the principal of and interest on any obligations  
 21 payable solely from allocated tax proceeds that are incurred by  
 22 the redevelopment district for the purpose of financing or  
 23 refinancing the redevelopment of that allocation area.  
 24 (B) Establish, augment, or restore the debt service reserve for  
 25 bonds payable solely or in part from allocated tax proceeds in  
 26 that allocation area.  
 27 (C) Pay the principal of and interest on bonds payable from  
 28 allocated tax proceeds in that allocation area and from the  
 29 special tax levied under section 19 of this chapter.  
 30 (D) Pay the principal of and interest on bonds issued by the  
 31 consolidated city to pay for local public improvements that are  
 32 physically located in or physically connected to that allocation  
 33 area.  
 34 (E) Pay premiums on the redemption before maturity of bonds  
 35 payable solely or in part from allocated tax proceeds in that  
 36 allocation area.  
 37 (F) Make payments on leases payable from allocated tax  
 38 proceeds in that allocation area under section 17.1 of this  
 39 chapter.  
 40 (G) Reimburse the consolidated city for expenditures for local  
 41 public improvements (which include buildings, parking  
 42 facilities, and other items set forth in section 17 of this



- 1 chapter) that are physically located in or physically connected  
 2 to that allocation area.
- 3 (H) Reimburse the unit for rentals paid by it for a building or  
 4 parking facility that is physically located in or physically  
 5 connected to that allocation area under any lease entered into  
 6 under IC 36-1-10.
- 7 (I) Reimburse public and private entities for expenses incurred  
 8 in training employees of industrial facilities that are located:  
 9 (i) in the allocation area; and  
 10 (ii) on a parcel of real property that has been classified as  
 11 industrial property under the rules of the department of local  
 12 government finance.
- 13 However, the total amount of money spent for this purpose in  
 14 any year may not exceed the total amount of money in the  
 15 allocation fund that is attributable to property taxes paid by the  
 16 industrial facilities described in this clause. The  
 17 reimbursements under this clause must be made within three  
 18 (3) years after the date on which the investments that are the  
 19 basis for the increment financing are made.
- 20 (J) Pay the costs of carrying out an eligible efficiency project  
 21 (as defined in IC 36-9-41-1.5) within the unit that established  
 22 the redevelopment commission. However, property tax  
 23 proceeds may be used under this clause to pay the costs of  
 24 carrying out an eligible efficiency project only if those  
 25 property tax proceeds exceed the amount necessary to do the  
 26 following:  
 27 (i) Make, when due, any payments required under clauses  
 28 (A) through (I), including any payments of principal and  
 29 interest on bonds and other obligations payable under this  
 30 subdivision, any payments of premiums under this  
 31 subdivision on the redemption before maturity of bonds, and  
 32 any payments on leases payable under this subdivision.  
 33 (ii) Make any reimbursements required under this  
 34 subdivision.  
 35 (iii) Pay any expenses required under this subdivision.  
 36 (iv) Establish, augment, or restore any debt service reserve  
 37 under this subdivision.
- 38 **(K) Provide financial assistance under section 7(a)(21) of**  
 39 **this chapter. The fiscal body of the unit that established the**  
 40 **redevelopment commission must separately approve each**  
 41 **grant, loan, or other expenditure for financial assistance**  
 42 **that is funded from allocated property taxes under this**



- 1                   **clause. This clause expires July 1, 2019.**  
 2                   The special fund may not be used for operating expenses of the  
 3                   commission.  
 4                   (4) Before July 15 of each year, the commission shall do the  
 5                   following:  
 6                   (A) Determine the amount, if any, by which the assessed value  
 7                   of the taxable property in the allocation area for the most  
 8                   recent assessment date minus the base assessed value, when  
 9                   multiplied by the estimated tax rate of the allocation area will  
 10                  exceed the amount of assessed value needed to provide the  
 11                  property taxes necessary to make, when due, principal and  
 12                  interest payments on bonds described in subdivision (3) plus  
 13                  the amount necessary for other purposes described in  
 14                  subdivision (3) and subsection (g).  
 15                  (B) Provide a written notice to the county auditor, the  
 16                  legislative body of the consolidated city, and the officers who  
 17                  are authorized to fix budgets, tax rates, and tax levies under  
 18                  IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 19                  or partly located within the allocation area. The notice must:  
 20                  (i) state the amount, if any, of excess assessed value that the  
 21                  commission has determined may be allocated to the  
 22                  respective taxing units in the manner prescribed in  
 23                  subdivision (1); or  
 24                  (ii) state that the commission has determined that there is no  
 25                  excess assessed value that may be allocated to the respective  
 26                  taxing units in the manner prescribed in subdivision (1).  
 27                  The county auditor shall allocate to the respective taxing units  
 28                  the amount, if any, of excess assessed value determined by the  
 29                  commission. The commission may not authorize an allocation  
 30                  to the respective taxing units under this subdivision if to do so  
 31                  would endanger the interests of the holders of bonds described  
 32                  in subdivision (3).  
 33                  (c) For the purpose of allocating taxes levied by or for any taxing  
 34                  unit or units, the assessed value of taxable property in a territory in the  
 35                  allocation area that is annexed by any taxing unit after the effective  
 36                  date of the allocation provision of the resolution is the lesser of:  
 37                  (1) the assessed value of the property for the assessment date with  
 38                  respect to which the allocation and distribution is made; or  
 39                  (2) the base assessed value.  
 40                  (d) Property tax proceeds allocable to the redevelopment district  
 41                  under subsection (b)(3) may, subject to subsection (b)(4), be  
 42                  irrevocably pledged by the redevelopment district for payment as set





1       forth in subsection (b)(3).

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

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

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

13       (2) the base assessed value.

14       (g) If any part of the allocation area is located in an enterprise zone  
15       created under IC 5-28-15, the unit that designated the allocation area  
16       shall create funds as specified in this subsection. A unit that has  
17       obligations, bonds, or leases payable from allocated tax proceeds under  
18       subsection (b)(3) shall establish an allocation fund for the purposes  
19       specified in subsection (b)(3) and a special zone fund. Such a unit  
20       shall, until the end of the enterprise zone phase out period, deposit each  
21       year in the special zone fund the amount in the allocation fund derived  
22       from property tax proceeds in excess of those described in subsection  
23       (b)(1) and (b)(2) from property located in the enterprise zone that  
24       exceeds the amount sufficient for the purposes specified in subsection  
25       (b)(3) for the year. A unit that has no obligations, bonds, or leases  
26       payable from allocated tax proceeds under subsection (b)(3) shall  
27       establish a special zone fund and deposit all the property tax proceeds  
28       in excess of those described in subsection (b)(1) and (b)(2) in the fund  
29       derived from property tax proceeds in excess of those described in  
30       subsection (b)(1) and (b)(2) from property located in the enterprise  
31       zone. The unit that creates the special zone fund shall use the fund,  
32       based on the recommendations of the urban enterprise association, for  
33       one (1) or more of the following purposes:

34       (1) To pay for programs in job training, job enrichment, and basic  
35       skill development designed to benefit residents and employers in  
36       the enterprise zone. The programs must reserve at least one-half  
37       (1/2) of the enrollment in any session for residents of the  
38       enterprise zone.

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



- 1 (A) Businesses operating in the enterprise zone.  
 2 (B) Businesses that will move their operations to the enterprise  
 3 zone if such a loan or grant is made.  
 4 (3) To provide funds to carry out other purposes specified in  
 5 subsection (b)(3). However, where reference is made in  
 6 subsection (b)(3) to the allocation area, the reference refers for  
 7 purposes of payments from the special zone fund only to that part  
 8 of the allocation area that is also located in the enterprise zone.  
 9 (h) The state board of accounts and department of local government  
 10 finance shall make the rules and prescribe the forms and procedures  
 11 that they consider expedient for the implementation of this chapter.  
 12 After each general reassessment of real property in an area under  
 13 IC 6-1.1-4-4 and after each reassessment under a reassessment plan  
 14 prepared under IC 6-1.1-4-4.2, the department of local government  
 15 finance shall adjust the base assessed value one (1) time to neutralize  
 16 any effect of the reassessment of the real property in the area on the  
 17 property tax proceeds allocated to the redevelopment district under this  
 18 section. After each annual adjustment under IC 6-1.1-4-4.5, the  
 19 department of local government finance shall adjust the base assessed  
 20 value to neutralize any effect of the annual adjustment on the property  
 21 tax proceeds allocated to the redevelopment district under this section.  
 22 However, the adjustments under this subsection may not include the  
 23 effect of property tax abatements under IC 6-1.1-12.1, and these  
 24 adjustments may not produce less property tax proceeds allocable to  
 25 the redevelopment district under subsection (b)(3) than would  
 26 otherwise have been received if the general reassessment, reassessment  
 27 under the reassessment plan, or annual adjustment had not occurred.  
 28 The department of local government finance may prescribe procedures  
 29 for county and township officials to follow to assist the department in  
 30 making the adjustments.  
 31 (i) The allocation deadline referred to in subsection (b) is  
 32 determined in the following manner:  
 33 (1) The initial allocation deadline is December 31, 2011.  
 34 (2) Subject to subdivision (3), the initial allocation deadline and  
 35 subsequent allocation deadlines are automatically extended in  
 36 increments of five (5) years, so that allocation deadlines  
 37 subsequent to the initial allocation deadline fall on December 31,  
 38 2016, and December 31 of each fifth year thereafter.  
 39 (3) At least one (1) year before the date of an allocation deadline  
 40 determined under subdivision (2), the general assembly may enact  
 41 a law that:  
 42 (A) terminates the automatic extension of allocation deadlines



1 under subdivision (2); and  
2 (B) specifically designates a particular date as the final  
3 allocation deadline.



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 156, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 16, after "property." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. A redevelopment commission may not provide financial assistance under this subdivision after June 30, 2019.**".

Page 4, line 18, after "if this subdivision" insert "**(excluding the requirement of prior approval by the fiscal body)**".

Page 10, line 1, after "chapter." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance that is funded from allocated property taxes under this clause. This clause expires July 1, 2019.**".

Page 15, line 35, after "property." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance under this subdivision. The terms of any loan that is made under this subdivision may be changed only if the change is approved by the fiscal body of the unit that established the redevelopment commission. This subdivision expires July 1, 2019.**".

Page 21, line 19, after "chapter." insert "**The fiscal body of the unit that established the redevelopment commission must separately approve each grant, loan, or other expenditure for financial assistance that is funded from allocated property taxes under this clause. This clause expires July 1, 2019.**".

and when so amended that said bill do pass.

(Reference is to HB 156 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 8, Nays 1.

SB 156—LS 6255/DI 73

