

# SENATE BILL No. 164

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 8-22-3.5-11; IC 36-7.

**Synopsis:** Elimination of annual adjustments of assessed values. Eliminates the annual adjustments (or "trending") to assessed values of real property for assessment dates beginning after December 31, 2017. Retains the provisions in current law that require four year cyclical reassessments. Makes conforming changes.

**Effective:** July 1, 2017; January 1, 2018.

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## Niemeyer

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January 4, 2017, read first time and referred to Committee on Appropriations.

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First Regular Session 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## SENATE BILL No. 164

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 6-1.1-4-4.4, AS AMENDED BY P.L.245-2015,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2018]: Sec. 4.4. (a) This section applies to an assessment  
4 under section 4.2 ~~or 4.5~~ of this chapter or another law.

5 (b) If the assessor changes the underlying parcel characteristics,  
6 including age, grade, or condition, of a property, from the previous  
7 ~~year's~~ assessment date, the assessor shall document:

- 8 (1) each change; and
- 9 (2) the reason that each change was made.

10 In any appeal of the assessment, the assessor has the burden of proving  
11 that each change was valid.

12 SECTION 2. IC 6-1.1-4-4.5 IS REPEALED [EFFECTIVE  
13 JANUARY 1, 2018]. ~~Sec. 4.5: (a) The department of local government~~  
14 ~~finance shall adopt rules establishing a system for annually adjusting~~  
15 ~~the assessed value of real property to account for changes in value in~~  
16 ~~those years since a reassessment under section 4 or 4.2 of this chapter~~  
17 ~~for the property last took effect.~~



1 (b) Subject to subsection (c), the system must be applied to adjust  
 2 assessed values beginning with the 2006 assessment date and each year  
 3 thereafter that is not a year in which a reassessment under section 4 or  
 4 4.2 of this chapter for the property becomes effective.

5 (c) The rules adopted under subsection (a) must include the  
 6 following characteristics in the system:

7 (1) Promote uniform and equal assessment of real property within  
 8 and across classifications:

9 (2) Require that assessing officials:

10 (A) reevaluate the factors that affect value;

11 (B) express the interactions of those factors mathematically;

12 (C) use mass appraisal techniques to estimate updated property  
 13 values within statistical measures of accuracy; and

14 (D) provide notice to taxpayers of an assessment increase that  
 15 results from the application of annual adjustments:

16 (3) Prescribe procedures that permit the application of the  
 17 adjustment percentages in an efficient manner by assessing  
 18 officials:

19 (d) The department of local government finance must review and  
 20 certify each annual adjustment determined under this section:

21 (e) In making the annual determination of the base rate to satisfy the  
 22 requirement for an annual adjustment under subsection (c) for the  
 23 January 1, 2016, assessment date and each assessment date thereafter,  
 24 the department of local government finance shall determine the base  
 25 rate using the methodology reflected in Table 2-18 of Book 1, Chapter  
 26 2 of the department of local government finance's Real Property  
 27 Assessment Guidelines (as in effect on January 1, 2005), except that  
 28 the department shall adjust the methodology as follows:

29 (1) Use a six (6) year rolling average adjusted under subdivision  
 30 (3) instead of a four (4) year rolling average:

31 (2) Use the data from the six (6) most recent years preceding the  
 32 year in which the assessment date occurs for which data is  
 33 available, before one (1) of those six (6) years is eliminated under  
 34 subdivision (3) when determining the rolling average:

35 (3) Eliminate in the calculation of the rolling average the year  
 36 among the six (6) years for which the highest market value in use  
 37 of agricultural land is determined:

38 (4) After determining a preliminary base rate that would apply for  
 39 the assessment date without applying the adjustment under this  
 40 subdivision, the department of local government finance shall  
 41 adjust the preliminary base rate as follows:

42 (A) If the preliminary base rate for the assessment date would



1 be at least ten percent (10%) greater than the final base rate  
 2 determined for the preceding assessment date; a capitalization  
 3 rate of eight percent (8%) shall be used to determine the final  
 4 base rate.

5 (B) If the preliminary base rate for the assessment date would  
 6 be at least ten percent (10%) less than the final base rate  
 7 determined for the preceding assessment date; a capitalization  
 8 rate of six percent (6%) shall be used to determine the final  
 9 base rate.

10 (C) If neither clause (A) nor clause (B) applies; a capitalization  
 11 rate of seven percent (7%) shall be used to determine the final  
 12 base rate.

13 (D) In the case of a market value in use for a year that is used  
 14 in the calculation of the six (6) year rolling average under  
 15 subdivision (1) for purposes of determining the base rate for  
 16 the assessment date:

17 (i) that market value in use shall be recalculated by using the  
 18 capitalization rate determined under clauses (A) through (C)  
 19 for the calculation of the base rate for the assessment date;  
 20 and

21 (ii) the market value in use recalculated under item (i) shall  
 22 be used in the calculation of the six (6) year rolling average  
 23 under subdivision (1).

24 (f) For assessment dates after December 31, 2009; an adjustment in  
 25 the assessed value of real property under this section shall be based on  
 26 the estimated true tax value of the property on the assessment date that  
 27 is the basis for taxes payable on that real property.

28 SECTION 3. IC 6-1.1-4-4.6 IS REPEALED [EFFECTIVE  
 29 JANUARY 1, 2018]. Sec. 4.6: (a) If a county assessor fails before July  
 30 2 of a particular year that ends before January 1, 2016; and before June  
 31 2 of a particular year that begins after December 31, 2015; for which  
 32 an adjustment to the assessed value of real property applies under  
 33 section 4.5 of this chapter to prepare and deliver to the county auditor  
 34 a complete detailed list of all of the real property listed for taxation in  
 35 the county as required by IC 6-1.1-5-14 and at least one hundred eighty  
 36 (180) days have elapsed after the deadline specified in IC 6-1.1-5-14  
 37 for the county assessor to deliver the list; the department of local  
 38 government finance may develop annual adjustment factors under this  
 39 section for that year. In developing annual adjustment factors under this  
 40 section; the department of local government finance shall use data in  
 41 its possession that is obtained from:

42 (1) the county assessor; or



1 (2) any of the sources listed in the rule, including county or state  
 2 sales data, government studies, ratio studies, cost and depreciation  
 3 tables, and other market analyses.

4 (b) Using the data described in subsection (a), the department of  
 5 local government finance shall propose to establish annual adjustment  
 6 factors for the affected tax districts for one (1) or more of the classes  
 7 of real property. The proposal may provide for the equalization of  
 8 annual adjustment factors in the affected township or county and in  
 9 adjacent areas. The department of local government finance shall issue  
 10 notice and provide opportunity for hearing in accordance with  
 11 IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final  
 12 annual adjustment factors.

13 (c) The annual adjustment factors finally determined by the  
 14 department of local government finance after the hearing required  
 15 under subsection (b) apply to the annual adjustment of real property  
 16 under section 4.5 of this chapter for:

17 (1) the assessment date; and

18 (2) the real property;

19 specified in the final determination of the department of local  
 20 government finance.

21 SECTION 4. IC 6-1.1-4-4.9 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 23 1, 2017]: **Sec. 4.9. The annual adjustments to assessed value of real  
 24 property under IC 6-1.1-4-4.5 (before its repeal) and IC 6-1.1-4-4.6  
 25 (before its repeal) apply only to assessment dates before January  
 26 1, 2018, and shall not be applied for an assessment date after  
 27 December 31, 2017.**

28 SECTION 5. IC 6-1.1-4-16, AS AMENDED BY P.L.112-2012,  
 29 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2018]: Sec. 16. (a) For purposes of making a  
 31 reassessment of real property under section 4 or 4.2 of this chapter, ~~or~~  
 32 ~~annual adjustments under section 4.5 of this chapter~~, a township  
 33 assessor (if any) and a county assessor may employ:

34 (1) deputies;

35 (2) employees; and

36 (3) technical advisors who are:

37 (A) qualified to determine real property values;

38 (B) professional appraisers certified under 50 IAC 15; and

39 (C) employed either on a full-time or a part-time basis, subject  
 40 to sections 18.5 and 19.5 of this chapter.

41 (b) The county council of each county shall appropriate the funds  
 42 necessary for the employment of deputies, employees, or technical



1 advisors employed under subsection (a). ~~of this section.~~

2 SECTION 6. IC 6-1.1-4-22, AS AMENDED BY P.L.111-2014,  
3 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2018]: Sec. 22. (a) If any assessing official assesses or  
5 reassesses any real property under this article, (~~including an annual~~  
6 ~~adjustment under section 4.5 of this chapter~~); the official shall give  
7 notice to the taxpayer and the county assessor, by mail or by using  
8 electronic mail that includes a secure Internet link to the information  
9 in the notice, of the amount of the assessment or reassessment.

10 (b) Each township or county assessor shall provide the notice  
11 required by this section by the earlier of:

12 (1) ninety (90) days after the assessor:

13 (A) completes the appraisal of a parcel; or

14 (B) receives a report for a parcel from a professional appraiser  
15 or professional appraisal firm; or

16 (2) April 10 of the year containing the assessment date for which  
17 the assessment or reassessment first applies, if the assessment  
18 date occurs in a year that ends before January 1, 2016, and  
19 February 10 of the year containing the assessment date for which  
20 the assessment or reassessment first applies, if the assessment  
21 date occurs in a year that begins after December 31, 2015.

22 (c) The notice required by this section is in addition to any required  
23 notice of assessment or reassessment included in a property tax  
24 statement under IC 6-1.1-22 or IC 6-1.1-22.5.

25 (d) The notice required by this section must include notice to the  
26 person of the opportunity to appeal the assessed valuation under  
27 IC 6-1.1-15-1.

28 (e) Notice of the opportunity to appeal the assessed valuation  
29 required under subsection (d) must include the following:

30 (1) The procedure that a taxpayer must follow to appeal the  
31 assessment or reassessment.

32 (2) The forms that must be filed for an appeal of the assessment  
33 or reassessment.

34 (3) Notice that an appeal of the assessment or reassessment  
35 requires evidence relevant to the true tax value of the taxpayer's  
36 property as of the assessment date.

37 SECTION 7. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,  
38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JANUARY 1, 2018]: Sec. 27.5. (a) The auditor of each county shall  
40 establish a property reassessment fund. The county treasurer shall  
41 deposit all collections resulting from the property taxes that the county  
42 levies for the county's property reassessment fund.



1 (b) With respect to a reassessment of real property under a county's  
 2 reassessment plan under section 4.2 of this chapter, the county council  
 3 of each county shall, for property taxes due each year, levy against all  
 4 the taxable property in the county an amount equal to the estimated  
 5 costs of the reassessment under section 28.5 of this chapter for the  
 6 group of parcels to be reassessed in that year.

7 (c) The county assessor may petition the county fiscal body to  
 8 increase the levy under subsection (b) to pay for the costs of:

9 (1) a reassessment of one (1) or more groups of parcels under a  
 10 county's reassessment plan prepared under section 4.2 of this  
 11 chapter; **or**

12 (2) verification under 50 IAC 27-4-7 of sales disclosure forms  
 13 forwarded to the county assessor under IC 6-1.1-5.5-3. **or**

14 ~~(3) processing annual adjustments under section 4.5 of this~~  
 15 ~~chapter.~~

16 The assessor must document the needs and reasons for the increased  
 17 funding.

18 **(d) This subsection applies to an assessment date beginning after**  
 19 **December 31, 2017. If a county fiscal body increased the levy under**  
 20 **subsection (b) to pay for the costs of processing annual adjustments**  
 21 **under section 4.5 of this chapter (before its repeal), the county**  
 22 **fiscal body shall reduce the levy under subsection (b) by an amount**  
 23 **equal to the amount of the prior increase imposed to pay for the**  
 24 **costs of processing annual adjustments before January 1, 2018.**

25 ~~(d)~~ (e) If the county fiscal body denies a petition under subsection  
 26 (c), the county assessor may appeal to the department of local  
 27 government finance. The department of local government finance shall:

28 (1) hear the appeal; and

29 (2) determine whether the additional levy is necessary.

30 SECTION 8. IC 6-1.1-4-28.5, AS AMENDED BY P.L.5-2015,  
 31 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 32 JANUARY 1, 2018]: Sec. 28.5. (a) Money assigned to a property  
 33 reassessment fund under section 27.5 of this chapter may be used only  
 34 to pay the costs of:

35 (1) the general reassessment of real property under section 4 of  
 36 this chapter or reassessment of one (1) or more groups of parcels  
 37 under a county's reassessment plan prepared under section 4.2 of  
 38 this chapter, including the computerization of assessment records;

39 (2) payments to assessing officials and hearing officers for county  
 40 property tax assessment boards of appeals under IC 6-1.1-35.2;

41 (3) the development or updating of detailed soil survey data by  
 42 the United States Department of Agriculture or its successor



- 1 agency;  
 2 (4) the updating of plat books;  
 3 (5) payments for the salary of permanent staff or for the  
 4 contractual services of temporary staff who are necessary to assist  
 5 assessing officials; **and**  
 6 ~~(6) making annual adjustments under section 4.5 of this chapter;~~  
 7 **and**  
 8 ~~(7) (6)~~ the verification under 50 IAC 27-4-7 of sales disclosure  
 9 forms forwarded to:  
 10 (A) the county assessor; or  
 11 (B) township assessors (if any);  
 12 under IC 6-1.1-5.5-3.

13 Money in a property tax reassessment fund may not be transferred or  
 14 reassigned to any other fund and may not be used for any purposes  
 15 other than those set forth in this section.

16 (b) All counties shall use modern, detailed soil maps in the  
 17 reassessment of agricultural land.

18 (c) The county treasurer of each county shall, in accordance with  
 19 IC 5-13-9, invest any money accumulated in the property reassessment  
 20 fund. Any interest received from investment of the money shall be paid  
 21 into the property reassessment fund.

22 (d) An appropriation under this section must be approved by the  
 23 fiscal body of the county after the review and recommendation of the  
 24 county assessor. However, in a county with a township assessor in  
 25 every township, the county assessor does not review an appropriation  
 26 under this section, and only the fiscal body must approve an  
 27 appropriation under this section.

28 SECTION 9. IC 6-1.1-12.4-2, AS AMENDED BY P.L.148-2015,  
 29 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JANUARY 1, 2018]: Sec. 2. (a) For purposes of this section, an  
 31 increase in the assessed value of real property is determined in the  
 32 same manner that an increase in the assessed value of real property is  
 33 determined for purposes of IC 6-1.1-12.1.

34 (b) This subsection applies only to a development, redevelopment,  
 35 or rehabilitation that is first assessed after March 1, 2005, and before  
 36 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,  
 37 and 8 of this chapter, an owner of real property that:

- 38 (1) develops, redevelops, or rehabilitates the real property; and  
 39 (2) creates or retains employment from the development,  
 40 redevelopment, or rehabilitation;  
 41 is entitled to a deduction from the assessed value of the real property.

42 (c) Subject to section 14 of this chapter, the deduction under this





1 section is first available in the year in which the increase in assessed  
 2 value resulting from the development, redevelopment, or rehabilitation  
 3 occurs and continues for the following two (2) years. The amount of the  
 4 deduction that a property owner may receive with respect to real  
 5 property located in a county for a particular year equals the lesser of:

6 (1) two million dollars (\$2,000,000); or

7 (2) the product of:

8 (A) the increase in assessed value resulting from the  
 9 development, rehabilitation, or redevelopment; multiplied by

10 (B) the percentage from the following table:

11 YEAR OF DEDUCTION	PERCENTAGE
12 1st	75%
13 2nd	50%
14 3rd	25%

15 (d) A property owner that qualifies for the deduction under this  
 16 section must file a notice to claim the deduction. The township  
 17 assessor, or the county assessor if there is no township assessor for the  
 18 township, shall:

19 (1) inform the county auditor of the real property eligible for the  
 20 deduction as contained in the notice filed by the taxpayer under  
 21 this subsection; and

22 (2) inform the county auditor of the deduction amount.

23 (e) The county auditor shall:

24 (1) make the deductions; and

25 (2) notify the county property tax assessment board of appeals of  
 26 all deductions approved;

27 under this section.

28 (f) The amount of the deduction determined under subsection (c)(2)  
 29 is adjusted to reflect the percentage increase or decrease in assessed  
 30 valuation that results from:

31 (1) a general reassessment of real property under IC 6-1.1-4-4; **or**

32 (2) a reassessment under a county's reassessment plan prepared  
 33 under IC 6-1.1-4-4.2. ~~or~~

34 ~~(3) an annual adjustment under IC 6-1.1-4-4.5.~~

35 (g) If an appeal of an assessment is approved that results in a  
 36 reduction of the assessed value of the real property, the amount of the  
 37 deduction under this section is adjusted to reflect the percentage  
 38 decrease that results from the appeal.

39 (h) The deduction under this section does not apply to a facility  
 40 listed in IC 6-1.1-12.1-3(e).

41 SECTION 10. IC 6-1.1-18-12, AS AMENDED BY P.L.232-2015,  
 42 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



- 1 JANUARY 1, 2018]: Sec. 12. (a) For purposes of this section,  
 2 "maximum rate" refers to the maximum:  
 3 (1) property tax rate or rates; or  
 4 (2) special benefits tax rate or rates;  
 5 referred to in the statutes listed in subsection (d).  
 6 (b) The maximum rate for taxes first due and payable after 2003 is  
 7 the maximum rate that would have been determined under subsection  
 8 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 9 for taxes first due and payable in 2003.  
 10 (c) The maximum rate must be adjusted each year to account for the  
 11 change in assessed value of real property that results from:  
 12 ~~(1) an annual adjustment of the assessed value of real property~~  
 13 ~~under IC 6-1.1-4-4.5;~~  
 14 ~~(2) (1) a general reassessment of real property under IC 6-1.1-4-4;~~  
 15 or  
 16 ~~(3) (2) a reassessment under a county's reassessment plan~~  
 17 ~~prepared under IC 6-1.1-4-4.2.~~  
 18 (d) The statutes to which subsection (a) refers are:  
 19 (1) IC 8-10-5-17;  
 20 (2) IC 8-22-3-11;  
 21 (3) IC 8-22-3-25;  
 22 (4) IC 12-29-1-1;  
 23 (5) IC 12-29-1-2;  
 24 (6) IC 12-29-1-3;  
 25 (7) IC 12-29-3-6;  
 26 (8) IC 13-21-3-12;  
 27 (9) IC 13-21-3-15;  
 28 (10) IC 14-27-6-30;  
 29 (11) IC 14-33-7-3;  
 30 (12) IC 14-33-21-5;  
 31 (13) IC 15-14-7-4;  
 32 (14) IC 15-14-9-1;  
 33 (15) IC 15-14-9-2;  
 34 (16) IC 16-20-2-18;  
 35 (17) IC 16-20-4-27;  
 36 (18) IC 16-20-7-2;  
 37 (19) IC 16-22-14;  
 38 (20) IC 16-23-1-29;  
 39 (21) IC 16-23-3-6;  
 40 (22) IC 16-23-4-2;  
 41 (23) IC 16-23-5-6;  
 42 (24) IC 16-23-7-2;



- 1 (25) IC 16-23-8-2;  
 2 (26) IC 16-23-9-2;  
 3 (27) IC 16-41-15-5;  
 4 (28) IC 16-41-33-4;  
 5 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);  
 6 (30) IC 20-46-6-5;  
 7 (31) IC 20-49-2-10;  
 8 (32) IC 36-1-19-1;  
 9 (33) IC 23-14-66-2;  
 10 (34) IC 23-14-67-3;  
 11 (35) IC 36-7-13-4;  
 12 (36) IC 36-7-14-28;  
 13 (37) IC 36-7-15.1-16;  
 14 (38) IC 36-8-19-8.5;  
 15 (39) IC 36-9-6.1-2;  
 16 (40) IC 36-9-17.5-4;  
 17 (41) IC 36-9-27-73;  
 18 (42) IC 36-9-29-31;  
 19 (43) IC 36-9-29.1-15;  
 20 (44) IC 36-10-6-2;  
 21 (45) IC 36-10-7-7;  
 22 (46) IC 36-10-7-8;  
 23 (47) IC 36-10-7.5-19;  
 24 (48) IC 36-10-13-5;  
 25 (49) IC 36-10-13-7;  
 26 (50) IC 36-10-14-4;  
 27 (51) IC 36-12-7-7;  
 28 (52) IC 36-12-7-8;  
 29 (53) IC 36-12-12-10;  
 30 (54) a statute listed in IC 6-1.1-18.5-9.8; and  
 31 (55) any statute enacted after December 31, 2003, that:  
 32 (A) establishes a maximum rate for any part of the:  
 33 (i) property taxes; or  
 34 (ii) special benefits taxes;  
 35 imposed by a political subdivision; and  
 36 (B) does not exempt the maximum rate from the adjustment  
 37 under this section.  
 38 (e) For property tax rates imposed for property taxes first due and  
 39 payable after December 31, 2013, the new maximum rate under a  
 40 statute listed in subsection (d) is the tax rate determined under STEP  
 41 EIGHT of the following STEPS:  
 42 STEP ONE: Except as provided in subsection (g), determine the



- 1 maximum rate for the political subdivision levying a property tax  
 2 or special benefits tax under the statute for the previous calendar  
 3 year.
- 4 STEP TWO: Determine the actual percentage change (rounded to  
 5 the nearest one-hundredth percent (0.01%)) in the assessed value  
 6 of the taxable property from the previous calendar year to the year  
 7 in which the affected property taxes will be imposed.
- 8 STEP THREE: Determine the three (3) calendar years that  
 9 immediately precede the year in which the affected property taxes  
 10 will be imposed.
- 11 STEP FOUR: Compute separately, for each of the calendar years  
 12 determined in STEP THREE, the actual percentage change  
 13 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 14 assessed value ~~(before the adjustment, if any, under~~  
 15 ~~IC 6-1.1-4-4.5)~~ of the taxable property from the preceding year.
- 16 STEP FIVE: Divide the sum of the three (3) quotients computed  
 17 in STEP FOUR by three (3).
- 18 STEP SIX: Determine the greater of the following:  
 19 (A) Zero (0).  
 20 (B) The STEP FIVE result.
- 21 STEP SEVEN: Determine the greater of the following:  
 22 (A) Zero (0).  
 23 (B) The result of the STEP TWO percentage minus the STEP  
 24 SIX percentage, if any.
- 25 STEP EIGHT: Determine the quotient of the STEP ONE tax rate  
 26 divided by the sum of one (1) plus the STEP SEVEN percentage,  
 27 if any.
- 28 (f) The department of local government finance shall compute the  
 29 maximum rate allowed under subsection (e) and provide the rate to  
 30 each political subdivision with authority to levy a tax under a statute  
 31 listed in subsection (d).
- 32 (g) This subsection applies only when calculating the maximum rate  
 33 for taxes due and payable in calendar year 2013. The STEP ONE result  
 34 is the greater of the following:  
 35 (1) The actual maximum rate established for property taxes first  
 36 due and payable in calendar year 2012.  
 37 (2) The maximum rate that would have been established for  
 38 property taxes first due and payable in calendar year 2012 if the  
 39 maximum rate had been established under the formula under this  
 40 section, as amended in the 2012 session of the general assembly.
- 41 (h) This subsection applies only when calculating the maximum rate  
 42 allowed under subsection (e) for the Vincennes Community School



1 Corporation with respect to property taxes first due and payable in  
 2 2014. The subsection (e) STEP ONE result for the school corporation's  
 3 capital projects fund is nineteen and forty-two hundredths cents  
 4 (\$0.1942).

5 (i) This subsection does not apply when calculating the maximum  
 6 rate for the Vincennes Community School Corporation. This subsection  
 7 applies only when calculating the maximum rate for a school  
 8 corporation's capital projects fund for taxes due and payable in calendar  
 9 year 2016. The subsection (e) STEP ONE result for purposes of the  
 10 calculation of that maximum rate is the greater of the following:

11 (1) The actual maximum rate established for the school  
 12 corporation's capital projects fund for property taxes first due and  
 13 payable in calendar year 2015.

14 (2) The maximum rate that would have been established for the  
 15 school corporation's capital projects fund for property taxes first  
 16 due and payable in calendar year 2015 if the formula specified in  
 17 subsection (e) had been in effect for the determination of  
 18 maximum rates for each calendar year after 2006.

19 SECTION 11. IC 6-1.1-39-5, AS AMENDED BY P.L.112-2012,  
 20 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 21 JANUARY 1, 2018]: Sec. 5. (a) A declaratory ordinance adopted under  
 22 section 2 of this chapter and confirmed under section 3 of this chapter  
 23 must include a provision with respect to the allocation and distribution  
 24 of property taxes for the purposes and in the manner provided in this  
 25 section. The allocation provision must apply to the entire economic  
 26 development district. The allocation provisions must require that any  
 27 property taxes subsequently levied by or for the benefit of any public  
 28 body entitled to a distribution of property taxes on taxable property in  
 29 the economic development district be allocated and distributed as  
 30 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. However, if the effective date of the  
 39 allocation provision of a declaratory ordinance is after March 1,  
 40 1985, and before January 1, 1986, and if an improvement to  
 41 property was partially completed on March 1, 1985, the unit may  
 42 provide in the declaratory ordinance that the taxes attributable to



1 the assessed value of the property as finally determined for March  
 2 1, 1984, shall be allocated to and, when collected, paid into the  
 3 funds of the respective taxing units.

4 (2) Except as otherwise provided in this section, part or all of the  
 5 property tax proceeds in excess of those described in subdivision  
 6 (1), as specified in the declaratory ordinance, shall be allocated to  
 7 the unit for the economic development district and, when  
 8 collected, paid into a special fund established by the unit for that  
 9 economic development district that may be used only to pay the  
 10 principal of and interest on obligations owed by the unit under  
 11 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of  
 12 industrial development programs in, or serving, that economic  
 13 development district. The amount not paid into the special fund  
 14 shall be paid to the respective units in the manner prescribed by  
 15 subdivision (1).

16 (3) When the money in the fund is sufficient to pay all  
 17 outstanding principal of and interest (to the earliest date on which  
 18 the obligations can be redeemed) on obligations owed by the unit  
 19 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing  
 20 of industrial development programs in, or serving, that economic  
 21 development district, money in the special fund in excess of that  
 22 amount shall be paid to the respective taxing units in the manner  
 23 prescribed by subdivision (1).

24 (b) Property tax proceeds allocable to the economic development  
 25 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 26 irrevocably pledged by the unit for payment as set forth in subsection  
 27 (a)(2).

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

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

36 (d) Notwithstanding any other law, each assessor shall, upon  
 37 petition of the fiscal body, reassess the taxable property situated upon  
 38 or in, or added to, the economic development district effective on the  
 39 next assessment date after the petition.

40 (e) Notwithstanding any other law, the assessed value of all taxable  
 41 property in the economic development district, for purposes of tax  
 42 limitation, property tax replacement, and formulation of the budget, tax



1 rate, and tax levy for each political subdivision in which the property  
2 is located, is the lesser of:

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

5 (2) the base assessed value.

6 (f) The state board of accounts and department of local government  
7 finance shall make the rules and prescribe the forms and procedures  
8 that they consider expedient for the implementation of this chapter.  
9 After each:

10 (1) general reassessment under IC 6-1.1-4-4; or

11 (2) reassessment of a group of parcels under a reassessment plan  
12 prepared under IC 6-1.1-4-4.2;

13 the department of local government finance shall adjust the base  
14 assessed value one (1) time to neutralize any effect of the reassessment  
15 on the property tax proceeds allocated to the district under this section.  
16 ~~After each annual adjustment under IC 6-1.1-4-4.5, the department of~~  
17 ~~local government finance shall adjust the base assessed value to~~  
18 ~~neutralize any effect of the annual adjustment on the property tax~~  
19 ~~proceeds allocated to the district under this section.~~ However, the  
20 adjustments under this subsection may not include the effect of  
21 property tax abatements under IC 6-1.1-12.1.

22 (g) As used in this section, "property taxes" means:

23 (1) taxes imposed under this article on real property; and

24 (2) any part of the taxes imposed under this article on depreciable  
25 personal property that the unit has by ordinance allocated to the  
26 economic development district. However, the ordinance may not  
27 limit the allocation to taxes on depreciable personal property with  
28 any particular useful life or lives.

29 If a unit had, by ordinance adopted before May 8, 1987, allocated to an  
30 economic development district property taxes imposed under IC 6-1.1  
31 on depreciable personal property that has a useful life in excess of eight  
32 (8) years, the ordinance continues in effect until an ordinance is  
33 adopted by the unit under subdivision (2).

34 (h) As used in this section, "base assessed value" means:

35 (1) the net assessed value of all the property as finally determined  
36 for the assessment date immediately preceding the effective date  
37 of the allocation provision of the declaratory resolution, as  
38 adjusted under subsection (f); plus

39 (2) to the extent that it is not included in subdivision (1), the net  
40 assessed value of property that is assessed as residential property  
41 under the rules of the department of local government finance, as  
42 finally determined for any assessment date after the effective date



1 of the allocation provision.

2 Subdivision (2) applies only to economic development districts  
3 established after June 30, 1997, and to additional areas established  
4 after June 30, 1997.

5 SECTION 12. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006,  
6 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JANUARY 1, 2018]: Sec. 11. (a) The state board of accounts and the  
8 department of local government finance shall make the rules and  
9 prescribe the forms and procedures that the state board of accounts and  
10 department consider appropriate for the implementation of this chapter.

11 (b) After each general reassessment under IC 6-1.1-4, the  
12 department of local government finance shall adjust the base assessed  
13 value (as defined in section 9 of this chapter) one (1) time to neutralize  
14 any effect of the general reassessment on the property tax proceeds  
15 allocated to the airport development zone's special funds under section  
16 9 of this chapter.

17 (c) After each annual adjustment under IC 6-1.1-4-4.5, the  
18 department of local government finance shall adjust the base assessed  
19 value (as defined in section 9 of this chapter) to neutralize any effect  
20 of the annual adjustment on the property tax proceeds allocated to the  
21 airport development zone's special funds under section 9 of this  
22 chapter.

23 SECTION 13. IC 36-7-14-39, AS AMENDED BY THE  
24 TECHNICAL CORRECTIONS BILL OF THE 2017 GENERAL  
25 ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 2018]: Sec. 39. (a) As used in this section:

27 "Allocation area" means that part of a redevelopment project area  
28 to which an allocation provision of a declaratory resolution adopted  
29 under section 15 of this chapter refers for purposes of distribution and  
30 allocation of property taxes.

31 "Base assessed value" means the following:

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

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

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





- 1 effective date of the allocation provision.
- 2 (2) If an allocation provision is adopted after June 30, 1997, in a  
3 declaratory resolution or an amendment to a declaratory  
4 resolution establishing a redevelopment project area:
- 5 (A) the net assessed value of all the property as finally  
6 determined for the assessment date immediately **preceding**  
7 **the effective date of the allocation** provision of the  
8 declaratory resolution, as adjusted under subsection (h); plus  
9 (B) to the extent that it is not included in clause (A), the net  
10 assessed value of property that is assessed as residential  
11 property under the rules of the department of local government  
12 finance, as finally determined for any assessment date after the  
13 effective date of the allocation provision.
- 14 (3) If:
- 15 (A) an allocation provision adopted before June 30, 1995, in  
16 a declaratory resolution or an amendment to a declaratory  
17 resolution establishing a redevelopment project area expires  
18 after June 30, 1997; and  
19 (B) after June 30, 1997, a new allocation provision is included  
20 in an amendment to the declaratory resolution;  
21 the net assessed value of all the property as finally determined for  
22 the assessment date immediately preceding the effective date of  
23 the allocation provision adopted after June 30, 1997, as adjusted  
24 under subsection (h).
- 25 (4) Except as provided in subdivision (5), for all other allocation  
26 areas, the net assessed value of all the property as finally  
27 determined for the assessment date immediately preceding the  
28 effective date of the allocation provision of the declaratory  
29 resolution, as adjusted under subsection (h).
- 30 (5) If an allocation area established in an economic development  
31 area before July 1, 1995, is expanded after June 30, 1995, the  
32 definition in subdivision (1) applies to the expanded part of the  
33 area added after June 30, 1995.
- 34 (6) If an allocation area established in a redevelopment project  
35 area before July 1, 1997, is expanded after June 30, 1997, the  
36 definition in subdivision (2) applies to the expanded part of the  
37 area added after June 30, 1997.
- 38 Except as provided in section 39.3 of this chapter, "property taxes"  
39 means taxes imposed under IC 6-1.1 on real property. However, upon  
40 approval by a resolution of the redevelopment commission adopted  
41 before June 1, 1987, "property taxes" also includes taxes imposed  
42 under IC 6-1.1 on depreciable personal property. If a redevelopment



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

9 (b) A declaratory resolution adopted under section 15 of this chapter  
10 on or before the allocation deadline determined under subsection (i)  
11 may include a provision with respect to the allocation and distribution  
12 of property taxes for the purposes and in the manner provided in this  
13 section. A declaratory resolution previously adopted may include an  
14 allocation provision by the amendment of that declaratory resolution on  
15 or before the allocation deadline determined under subsection (i) in  
16 accordance with the procedures required for its original adoption. A  
17 declaratory resolution or amendment that establishes an allocation  
18 provision must include a specific finding of fact, supported by  
19 evidence, that the adoption of the allocation provision will result in  
20 new property taxes in the area that would not have been generated but  
21 for the adoption of the allocation provision. For an allocation area  
22 established before July 1, 1995, the expiration date of any allocation  
23 provisions for the allocation area is June 30, 2025, or the last date of  
24 any obligations that are outstanding on July 1, 2015, whichever is later.  
25 A declaratory resolution or an amendment that establishes an allocation  
26 provision after June 30, 1995, must specify an expiration date for the  
27 allocation provision. For an allocation area established before July 1,  
28 2008, the expiration date may not be more than thirty (30) years after  
29 the date on which the allocation provision is established. For an  
30 allocation area established after June 30, 2008, the expiration date may  
31 not be more than twenty-five (25) years after the date on which the first  
32 obligation was incurred to pay principal and interest on bonds or lease  
33 rentals on leases payable from tax increment revenues. However, with  
34 respect to bonds or other obligations that were issued before July 1,  
35 2008, if any of the bonds or other obligations that were scheduled when  
36 issued to mature before the specified expiration date and that are  
37 payable only from allocated tax proceeds with respect to the allocation  
38 area remain outstanding as of the expiration date, the allocation  
39 provision does not expire until all of the bonds or other obligations are  
40 no longer outstanding. The allocation provision may apply to all or part  
41 of the redevelopment project area. The allocation provision must  
42 require that any property taxes subsequently levied by or for the benefit



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



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chapter.

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

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

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



1 serving the allocation area. Public improvements include  
 2 buildings, parking facilities, and other items described in  
 3 section 25.1(a) of this chapter.

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

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

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

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

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

36 (M) Expend money and provide financial assistance as  
 37 authorized in section 12.2(a)(27) of this chapter.

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

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

- 42 (A) Determine the amount, if any, by which the assessed value



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

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

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

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

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

30 (C) If:

31 (i) the amount of excess assessed value determined by the  
 32 commission is expected to generate more than two hundred  
 33 percent (200%) of the amount of allocated tax proceeds  
 34 necessary to make, when due, principal and interest  
 35 payments on bonds described in subdivision (3); plus

36 (ii) the amount necessary for other purposes described in  
 37 subdivision (3);

38 the commission shall submit to the legislative body of the unit  
 39 its determination of the excess assessed value that the  
 40 commission proposes to allocate to the respective taxing units  
 41 in the manner prescribed in subdivision (1). The legislative  
 42 body of the unit may approve the commission's determination



1                   or modify the amount of the excess assessed value that will be  
2                   allocated to the respective taxing units in the manner  
3                   prescribed in subdivision (1).

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

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

11                  (2) the base assessed value.

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

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

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

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

27                  (2) the base assessed value.

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



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

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

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





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

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

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

22 SECTION 14. IC 36-7-15.1-26, AS AMENDED BY P.L.180-2016,  
 23 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JANUARY 1, 2018]: Sec. 26. (a) As used in this section:

25 "Allocation area" means that part of a redevelopment project area  
 26 to which an allocation provision of a resolution adopted under section  
 27 8 of this chapter refers for purposes of distribution and allocation of  
 28 property taxes.

29 "Base assessed value" means the following:

- 30 (1) If an allocation provision is adopted after June 30, 1995, in a  
 31 declaratory resolution or an amendment to a declaratory  
 32 resolution establishing an economic development area:  
 33 (A) the net assessed value of all the property as finally  
 34 determined for the assessment date immediately preceding the  
 35 effective date of the allocation provision of the declaratory  
 36 resolution, as adjusted under subsection (h); plus  
 37 (B) to the extent that it is not included in clause (A), the net  
 38 assessed value of property that is assessed as residential  
 39 property under the rules of the department of local government  
 40 finance, as finally determined for any assessment date after the  
 41 effective date of the allocation provision.  
 42 (2) If an allocation provision is adopted after June 30, 1997, in a



1 declaratory resolution or an amendment to a declaratory  
2 resolution establishing a redevelopment project area:

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

7 (B) to the extent that it is not included in clause (A), the net  
8 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 (3) If:

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

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

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

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

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

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

36 Except as provided in section 26.2 of this chapter, "property taxes"  
37 means taxes imposed under IC 6-1.1 on real property. However, upon  
38 approval by a resolution of the redevelopment commission adopted  
39 before June 1, 1987, "property taxes" also includes taxes imposed  
40 under IC 6-1.1 on depreciable personal property. If a redevelopment  
41 commission adopted before June 1, 1987, a resolution to include within  
42 the definition of property taxes, taxes imposed under IC 6-1.1 on



1 depreciable personal property that has a useful life in excess of eight  
2 (8) years, the commission may by resolution determine the percentage  
3 of taxes imposed under IC 6-1.1 on all depreciable personal property  
4 that will be included within the definition of property taxes. However,  
5 the percentage included must not exceed twenty-five percent (25%) of  
6 the taxes imposed under IC 6-1.1 on all depreciable personal property.

7 (b) A resolution adopted under section 8 of this chapter on or before  
8 the allocation deadline determined under subsection (i) may include a  
9 provision with respect to the allocation and distribution of property  
10 taxes for the purposes and in the manner provided in this section. A  
11 resolution previously adopted may include an allocation provision by  
12 the amendment of that resolution on or before the allocation deadline  
13 determined under subsection (i) in accordance with the procedures  
14 required for its original adoption. A declaratory resolution or  
15 amendment that establishes an allocation provision must include a  
16 specific finding of fact, supported by evidence, that the adoption of the  
17 allocation provision will result in new property taxes in the area that  
18 would not have been generated but for the adoption of the allocation  
19 provision. For an allocation area established before July 1, 1995, the  
20 expiration date of any allocation provisions for the allocation area is  
21 June 30, 2025, or the last date of any obligations that are outstanding  
22 on July 1, 2015, whichever is later. However, for an allocation area  
23 identified as the Consolidated Allocation Area in the report submitted  
24 in 2013 to the fiscal body under section 36.3 of this chapter, the  
25 expiration date of any allocation provisions for the allocation area is  
26 January 1, 2051. A declaratory resolution or an amendment that  
27 establishes an allocation provision after June 30, 1995, must specify an  
28 expiration date for the allocation provision. For an allocation area  
29 established before July 1, 2008, the expiration date may not be more  
30 than thirty (30) years after the date on which the allocation provision  
31 is established. For an allocation area established after June 30, 2008,  
32 the expiration date may not be more than twenty-five (25) years after  
33 the date on which the first obligation was incurred to pay principal and  
34 interest on bonds or lease rentals on leases payable from tax increment  
35 revenues. However, with respect to bonds or other obligations that were  
36 issued before July 1, 2008, if any of the bonds or other obligations that  
37 were scheduled when issued to mature before the specified expiration  
38 date and that are payable only from allocated tax proceeds with respect  
39 to the allocation area remain outstanding as of the expiration date, the  
40 allocation provision does not expire until all of the bonds or other  
41 obligations are no longer outstanding. The allocation provision may  
42 apply to all or part of the redevelopment project area. The allocation



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

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

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

9 or

10 (B) the base assessed value;

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

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

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

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

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

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

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

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



- 1 allocation area.
- 2 (F) Make payments on leases payable from allocated tax
- 3 proceeds in that allocation area under section 17.1 of this
- 4 chapter.
- 5 (G) Reimburse the consolidated city for expenditures for local
- 6 public improvements (which include buildings, parking
- 7 facilities, and other items set forth in section 17 of this
- 8 chapter) that are physically located in or physically connected
- 9 to that allocation area.
- 10 (H) Reimburse the unit for rentals paid by it for a building or
- 11 parking facility that is physically located in or physically
- 12 connected to that allocation area under any lease entered into
- 13 under IC 36-1-10.
- 14 (I) Reimburse public and private entities for expenses incurred
- 15 in training employees of industrial facilities that are located:
- 16 (i) in the allocation area; and
- 17 (ii) on a parcel of real property that has been classified as
- 18 industrial property under the rules of the department of local
- 19 government finance.
- 20 However, the total amount of money spent for this purpose in
- 21 any year may not exceed the total amount of money in the
- 22 allocation fund that is attributable to property taxes paid by the
- 23 industrial facilities described in this clause. The
- 24 reimbursements under this clause must be made within three
- 25 (3) years after the date on which the investments that are the
- 26 basis for the increment financing are made.
- 27 (J) Pay the costs of carrying out an eligible efficiency project
- 28 (as defined in IC 36-9-41-1.5) within the unit that established
- 29 the redevelopment commission. However, property tax
- 30 proceeds may be used under this clause to pay the costs of
- 31 carrying out an eligible efficiency project only if those
- 32 property tax proceeds exceed the amount necessary to do the
- 33 following:
- 34 (i) Make, when due, any payments required under clauses
- 35 (A) through (I), including any payments of principal and
- 36 interest on bonds and other obligations payable under this
- 37 subdivision, any payments of premiums under this
- 38 subdivision on the redemption before maturity of bonds, and
- 39 any payments on leases payable under this subdivision.
- 40 (ii) Make any reimbursements required under this
- 41 subdivision.
- 42 (iii) Pay any expenses required under this subdivision.



1 (iv) Establish, augment, or restore any debt service reserve  
2 under this subdivision.  
3 (K) Expend money and provide financial assistance as  
4 authorized in section 7(a)(21) of this chapter.  
5 The special fund may not be used for operating expenses of the  
6 commission.  
7 (4) Before June 15 of each year, the commission shall do the  
8 following:  
9 (A) Determine the amount, if any, by which the assessed value  
10 of the taxable property in the allocation area for the most  
11 recent assessment date minus the base assessed value, when  
12 multiplied by the estimated tax rate of the allocation area will  
13 exceed the amount of assessed value needed to provide the  
14 property taxes necessary to make, when due, principal and  
15 interest payments on bonds described in subdivision (3) plus  
16 the amount necessary for other purposes described in  
17 subdivision (3) and subsection (g).  
18 (B) Provide a written notice to the county auditor, the  
19 legislative body of the consolidated city, the officers who are  
20 authorized to fix budgets, tax rates, and tax levies under  
21 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
22 or partly located within the allocation area, and (in an  
23 electronic format) the department of local government finance.  
24 The notice must:  
25 (i) state the amount, if any, of excess assessed value that the  
26 commission has determined may be allocated to the  
27 respective taxing units in the manner prescribed in  
28 subdivision (1); or  
29 (ii) state that the commission has determined that there is no  
30 excess assessed value that may be allocated to the respective  
31 taxing units in the manner prescribed in subdivision (1).  
32 The county auditor shall allocate to the respective taxing units  
33 the amount, if any, of excess assessed value determined by the  
34 commission. The commission may not authorize an allocation  
35 to the respective taxing units under this subdivision if to do so  
36 would endanger the interests of the holders of bonds described  
37 in subdivision (3).  
38 (C) If:  
39 (i) the amount of excess assessed value determined by the  
40 commission is expected to generate more than two hundred  
41 percent (200%) of the amount of allocated tax proceeds  
42 necessary to make, when due, principal and interest



- 1            payments on bonds described in subdivision (3); plus  
 2            (ii) the amount necessary for other purposes described in  
 3            subdivision (3) and subsection (g);  
 4            the commission shall submit to the legislative body of the unit  
 5            the commission's determination of the excess assessed value  
 6            that the commission proposes to allocate to the respective  
 7            taxing units in the manner prescribed in subdivision (1). The  
 8            legislative body of the unit may approve the commission's  
 9            determination or modify the amount of the excess assessed  
 10           value that will be allocated to the respective taxing units in the  
 11           manner prescribed in subdivision (1).
- 12           (c) For the purpose of allocating taxes levied by or for any taxing  
 13           unit or units, the assessed value of taxable property in a territory in the  
 14           allocation area that is annexed by any taxing unit after the effective  
 15           date of the allocation provision of the resolution is the lesser of:  
 16           (1) the assessed value of the property for the assessment date with  
 17           respect to which the allocation and distribution is made; or  
 18           (2) the base assessed value.
- 19           (d) Property tax proceeds allocable to the redevelopment district  
 20           under subsection (b)(3) may, subject to subsection (b)(4), be  
 21           irrevocably pledged by the redevelopment district for payment as set  
 22           forth in subsection (b)(3).
- 23           (e) Notwithstanding any other law, each assessor shall, upon  
 24           petition of the commission, reassess the taxable property situated upon  
 25           or in, or added to, the allocation area, effective on the next assessment  
 26           date after the petition.
- 27           (f) Notwithstanding any other law, the assessed value of all taxable  
 28           property in the allocation area, for purposes of tax limitation, property  
 29           tax replacement, and formulation of the budget, tax rate, and tax levy  
 30           for each political subdivision in which the property is located is the  
 31           lesser of:  
 32           (1) the assessed value of the property as valued without regard to  
 33           this section; or  
 34           (2) the base assessed value.
- 35           (g) If any part of the allocation area is located in an enterprise zone  
 36           created under IC 5-28-15, the unit that designated the allocation area  
 37           shall create funds as specified in this subsection. A unit that has  
 38           obligations, bonds, or leases payable from allocated tax proceeds under  
 39           subsection (b)(3) shall establish an allocation fund for the purposes  
 40           specified in subsection (b)(3) and a special zone fund. Such a unit  
 41           shall, until the end of the enterprise zone phase out period, deposit each  
 42           year in the special zone fund the amount in the allocation fund derived



1 from property tax proceeds in excess of those described in subsection  
 2 (b)(1) and (b)(2) from property located in the enterprise zone that  
 3 exceeds the amount sufficient for the purposes specified in subsection  
 4 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
 5 payable from allocated tax proceeds under subsection (b)(3) shall  
 6 establish a special zone fund and deposit all the property tax proceeds  
 7 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
 8 derived from property tax proceeds in excess of those described in  
 9 subsection (b)(1) and (b)(2) from property located in the enterprise  
 10 zone. The unit that creates the special zone fund shall use the fund,  
 11 based on the recommendations of the urban enterprise association, for  
 12 one (1) or more of the following purposes:

13 (1) To pay for programs in job training, job enrichment, and basic  
 14 skill development designed to benefit residents and employers in  
 15 the enterprise zone. The programs must reserve at least one-half  
 16 (1/2) of the enrollment in any session for residents of the  
 17 enterprise zone.

18 (2) To make loans and grants for the purpose of stimulating  
 19 business activity in the enterprise zone or providing employment  
 20 for enterprise zone residents in the enterprise zone. These loans  
 21 and grants may be made to the following:

22 (A) Businesses operating in the enterprise zone.

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

25 (3) To provide funds to carry out other purposes specified in  
 26 subsection (b)(3). However, where reference is made in  
 27 subsection (b)(3) to the allocation area, the reference refers for  
 28 purposes of payments from the special zone fund only to that part  
 29 of the allocation area that is also located in the enterprise zone.

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





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

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

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

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

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

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

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

25 SECTION 15. IC 36-7-15.1-53, AS AMENDED BY P.L.184-2016,  
 26 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JANUARY 1, 2018]: Sec. 53. (a) As used in this section:

28 "Allocation area" means that part of a redevelopment project area  
 29 to which an allocation provision of a resolution adopted under section  
 30 40 of this chapter refers for purposes of distribution and allocation of  
 31 property taxes.

32 "Base assessed value" means:

33 (1) the net assessed value of all the property as finally determined  
 34 for the assessment date immediately preceding the effective date  
 35 of the allocation provision of the declaratory resolution, as  
 36 adjusted under subsection (h); plus

37 (2) to the extent that it is not included in subdivision (1), the net  
 38 assessed value of property that is assessed as residential property  
 39 under the rules of the department of local government finance, as  
 40 finally determined for any assessment date after the effective date  
 41 of the allocation provision.

42 Except as provided in section 55 of this chapter, "property taxes"



1 means taxes imposed under IC 6-1.1 on real property.

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

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

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

35 or

36 (B) the base assessed value;

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

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



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

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

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

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

18 (C) Pay the principal of and interest on bonds payable from  
 19 allocated tax proceeds in that allocation area and from the  
 20 special tax levied under section 50 of this chapter.

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

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

28 (F) Make payments on leases payable from allocated tax  
 29 proceeds in that allocation area under section 46 of this  
 30 chapter.

31 (G) Reimburse the excluded city for expenditures for local  
 32 public improvements (which include buildings, park facilities,  
 33 and other items set forth in section 45 of this chapter) that are  
 34 physically located in or physically connected to that allocation  
 35 area.

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

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

42 (i) in the allocation area; and



- 1 (ii) on a parcel of real property that has been classified as  
 2 industrial property under the rules of the department of local  
 3 government finance.  
 4 However, the total amount of money spent for this purpose in  
 5 any year may not exceed the total amount of money in the  
 6 allocation fund that is attributable to property taxes paid by the  
 7 industrial facilities described in this clause. The  
 8 reimbursements under this clause must be made within three  
 9 (3) years after the date on which the investments that are the  
 10 basis for the increment financing are made.  
 11 The special fund may not be used for operating expenses of the  
 12 commission.  
 13 (4) Before June 15 of each year, the commission shall do the  
 14 following:  
 15 (A) Determine the amount, if any, by which the assessed value  
 16 of the taxable property in the allocation area for the most  
 17 recent assessment date minus the base assessed value, when  
 18 multiplied by the estimated tax rate of the allocation area, will  
 19 exceed the amount of assessed value needed to provide the  
 20 property taxes necessary to make, when due, principal and  
 21 interest payments on bonds described in subdivision (3) plus  
 22 the amount necessary for other purposes described in  
 23 subdivision (3) and subsection (g).  
 24 (B) Provide a written notice to the county auditor, the fiscal  
 25 body of the county or municipality that established the  
 26 department of redevelopment, the officers who are authorized  
 27 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for  
 28 each of the other taxing units that is wholly or partly located  
 29 within the allocation area, and (in an electronic format) the  
 30 department of local government finance. The notice must:  
 31 (i) state the amount, if any, of excess assessed value that the  
 32 commission has determined may be allocated to the  
 33 respective taxing units in the manner prescribed in  
 34 subdivision (1); or  
 35 (ii) state that the commission has determined that there is no  
 36 excess assessed value that may be allocated to the respective  
 37 taxing units in the manner prescribed in subdivision (1).  
 38 The county auditor shall allocate to the respective taxing units  
 39 the amount, if any, of excess assessed value determined by the  
 40 commission. The commission may not authorize an allocation  
 41 to the respective taxing units under this subdivision if to do so  
 42 would endanger the interests of the holders of bonds described



- 1                   in subdivision (3).
- 2           (c) For the purpose of allocating taxes levied by or for any taxing  
3 unit or units, the assessed value of taxable property in a territory in the  
4 allocation area that is annexed by any taxing unit after the effective  
5 date of the allocation provision of the resolution is the lesser of:  
6           (1) the assessed value of the property for the assessment date with  
7           respect to which the allocation and distribution is made; or  
8           (2) the base assessed value.
- 9           (d) Property tax proceeds allocable to the redevelopment district  
10 under subsection (b)(3) may, subject to subsection (b)(4), be  
11 irrevocably pledged by the redevelopment district for payment as set  
12 forth in subsection (b)(3).
- 13           (e) Notwithstanding any other law, each assessor shall, upon  
14 petition of the commission, reassess the taxable property situated upon  
15 or in, or added to, the allocation area, effective on the next assessment  
16 date after the petition.
- 17           (f) Notwithstanding any other law, the assessed value of all taxable  
18 property in the allocation area, for purposes of tax limitation, property  
19 tax replacement, and formulation of the budget, tax rate, and tax levy  
20 for each political subdivision in which the property is located, is the  
21 lesser of:  
22           (1) the assessed value of the property as valued without regard to  
23           this section; or  
24           (2) the base assessed value.
- 25           (g) If any part of the allocation area is located in an enterprise zone  
26 created under IC 5-28-15, the unit that designated the allocation area  
27 shall create funds as specified in this subsection. A unit that has  
28 obligations, bonds, or leases payable from allocated tax proceeds under  
29 subsection (b)(3) shall establish an allocation fund for the purposes  
30 specified in subsection (b)(3) and a special zone fund. Such a unit  
31 shall, until the end of the enterprise zone phase out period, deposit each  
32 year in the special zone fund the amount in the allocation fund derived  
33 from property tax proceeds in excess of those described in subsection  
34 (b)(1) and (b)(2) from property located in the enterprise zone that  
35 exceeds the amount sufficient for the purposes specified in subsection  
36 (b)(3) for the year. A unit that has no obligations, bonds, or leases  
37 payable from allocated tax proceeds under subsection (b)(3) shall  
38 establish a special zone fund and deposit all the property tax proceeds  
39 in excess of those described in subsection (b)(1) and (b)(2) in the fund  
40 derived from property tax proceeds in excess of those described in  
41 subsection (b)(1) and (b)(2) from property located in the enterprise  
42 zone. The unit that creates the special zone fund shall use the fund,



1 based on the recommendations of the urban enterprise association, for  
2 one (1) or more of the following purposes:

3 (1) To pay for programs in job training, job enrichment, and basic  
4 skill development designed to benefit residents and employers in  
5 the enterprise zone. The programs must reserve at least one-half  
6 (1/2) of the enrollment in any session for residents of the  
7 enterprise zone.

8 (2) To make loans and grants for the purpose of stimulating  
9 business activity in the enterprise zone or providing employment  
10 for enterprise zone residents in an enterprise zone. These loans  
11 and grants may be made to the following:

12 (A) Businesses operating in the enterprise zone.

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

15 (3) To provide funds to carry out other purposes specified in  
16 subsection (b)(3). However, where reference is made in  
17 subsection (b)(3) to the allocation area, the reference refers, for  
18 purposes of payments from the special zone fund, only to that part  
19 of the allocation area that is also located in 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 or reassessment under a county's reassessment plan  
25 prepared under IC 6-1.1-4-4.2, the department of local government  
26 finance shall adjust the base assessed value one (1) time to neutralize  
27 any effect of the reassessment of the real property in the area on the  
28 property tax proceeds allocated to the redevelopment district under this  
29 section. ~~After each annual adjustment under IC 6-1.1-4-4.5, the~~  
30 ~~department of local government finance shall adjust the base assessed~~  
31 ~~value to neutralize any effect of the annual adjustment on the property~~  
32 ~~tax proceeds allocated to the redevelopment district under this section.~~  
33 However, the adjustments under this subsection may not include the  
34 effect of property tax abatements under IC 6-1.1-12.1, and these  
35 adjustments may not produce less property tax proceeds allocable to  
36 the redevelopment district under subsection (b)(3) than would  
37 otherwise have been received if the general reassessment **or**  
38 reassessment under the county's reassessment plan **or annual**  
39 **adjustment** had not occurred. The department of local government  
40 finance may prescribe procedures for county and township officials to  
41 follow to assist the department in making the adjustments.

42 (i) The allocation deadline referred to in subsection (b) is



1 determined in the following manner:

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

3 (2) Subject to subdivision (3), the initial allocation deadline and  
4 subsequent allocation deadlines are automatically extended in  
5 increments of five (5) years, so that allocation deadlines  
6 subsequent to the initial allocation deadline fall on December 31,  
7 2016, and December 31 of each fifth year thereafter.

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

11 (A) terminates the automatic extension of allocation deadlines  
12 under subdivision (2); and

13 (B) specifically designates a particular date as the final  
14 allocation deadline.

15 SECTION 16. IC 36-7-30-25, AS AMENDED BY P.L.95-2014,  
16 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17 JANUARY 1, 2018]: Sec. 25. (a) The following definitions apply  
18 throughout this section:

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

23 (2) "Base assessed value" means:

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

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

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

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

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



- 1           property.
- 2           (b) A declaratory resolution adopted under section 10 of this chapter
- 3 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
- 4 resolutions adopted under IC 36-7-14-15 may include a provision with
- 5 respect to the allocation and distribution of property taxes for the
- 6 purposes and in the manner provided in this section. A declaratory
- 7 resolution previously adopted may include an allocation provision by
- 8 the amendment of that declaratory resolution in accordance with the
- 9 procedures set forth in section 13 of this chapter. The allocation
- 10 provision may apply to all or part of the military base reuse area. The
- 11 allocation provision must require that any property taxes subsequently
- 12 levied by or for the benefit of any public body entitled to a distribution
- 13 of property taxes on taxable property in the allocation area be allocated
- 14 and distributed as follows:
- 15           (1) Except as otherwise provided in this section, the proceeds of
- 16 the taxes attributable to the lesser of:
- 17           (A) the assessed value of the property for the assessment date
- 18 with respect to which the allocation and distribution is made;
- 19 or
- 20           (B) the base assessed value;
- 21 shall be allocated to and, when collected, paid into the funds of
- 22 the respective taxing units.
- 23           (2) The excess of the proceeds of the property taxes imposed for
- 24 the assessment date with respect to which the allocation and
- 25 distribution are made that are attributable to taxes imposed after
- 26 being approved by the voters in a referendum or local public
- 27 question conducted after April 30, 2010, not otherwise included
- 28 in subdivision (1) shall be allocated to and, when collected, paid
- 29 into the funds of the taxing unit for which the referendum or local
- 30 public question was conducted.
- 31           (3) Except as otherwise provided in this section, property tax
- 32 proceeds in excess of those described in subdivisions (1) and (2)
- 33 shall be allocated to the military base reuse district and, when
- 34 collected, paid into an allocation fund for that allocation area that
- 35 may be used by the military base reuse district and only to do one
- 36 (1) or more of the following:
- 37           (A) Pay the principal of and interest and redemption premium
- 38 on any obligations incurred by the military base reuse district
- 39 or any other entity for the purpose of financing or refinancing
- 40 military base reuse activities in or directly serving or
- 41 benefiting that allocation area.
- 42           (B) Establish, augment, or restore the debt service reserve for





- 1 bonds payable solely or in part from allocated tax proceeds in  
 2 that allocation area or from other revenues of the reuse  
 3 authority, including lease rental revenues.
- 4 (C) Make payments on leases payable solely or in part from  
 5 allocated tax proceeds in that allocation area.
- 6 (D) Reimburse any other governmental body for expenditures  
 7 made for local public improvements (or structures) in or  
 8 directly serving or benefiting that allocation area.
- 9 (E) Pay expenses incurred by the reuse authority, any other  
 10 department of the unit, or a department of another  
 11 governmental entity for local public improvements or  
 12 structures that are in the allocation area or directly serving or  
 13 benefiting the allocation area, including expenses for the  
 14 operation and maintenance of these local public improvements  
 15 or structures if the reuse authority determines those operation  
 16 and maintenance expenses are necessary or desirable to carry  
 17 out the purposes of this chapter.
- 18 (F) Reimburse public and private entities for expenses  
 19 incurred in training employees of industrial facilities that are  
 20 located:
- 21 (i) in the allocation area; and
  - 22 (ii) on a parcel of real property that has been classified as  
 23 industrial property under the rules of the department of local  
 24 government finance.
- 25 However, the total amount of money spent for this purpose in  
 26 any year may not exceed the total amount of money in the  
 27 allocation fund that is attributable to property taxes paid by the  
 28 industrial facilities described in this clause. The  
 29 reimbursements under this clause must be made not more than  
 30 three (3) years after the date on which the investments that are  
 31 the basis for the increment financing are made.
- 32 (G) Expend money and provide financial assistance as  
 33 authorized in section 9(a)(25) of this chapter.
- 34 Except as provided in clause (E), the allocation fund may not be  
 35 used for operating expenses of the reuse authority.
- 36 (4) Except as provided in subsection (g), before July 15 of each  
 37 year the reuse authority shall do the following:
- 38 (A) Determine the amount, if any, by which property taxes  
 39 payable to the allocation fund in the following year will exceed  
 40 the amount of property taxes necessary to make, when due,  
 41 principal and interest payments on bonds described in  
 42 subdivision (3) plus the amount necessary for other purposes



1 described in subdivision (3).

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

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

11 (ii) state that the reuse authority has determined that there  
12 are no excess property tax proceeds that may be allocated to  
13 the respective taxing units in the manner prescribed in  
14 subdivision (1).

15 The county auditor shall allocate to the respective taxing units  
16 the amount, if any, of excess property tax proceeds determined  
17 by the reuse authority. The reuse authority may not authorize  
18 a payment to the respective taxing units under this subdivision  
19 if to do so would endanger the interest of the holders of bonds  
20 described in subdivision (3) or lessors under section 19 of this  
21 chapter.

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

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

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

33 (e) Notwithstanding any other law, each assessor shall, upon  
34 petition of the reuse authority, reassess the taxable property situated  
35 upon or in or added to the allocation area, effective on the next  
36 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 the making 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



1 this section; or

2 (2) the base assessed value.

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

34 (h) After each general reassessment of real property in an area under  
 35 IC 6-1.1-4-4 or reassessment under the county's reassessment plan  
 36 under IC 6-1.1-4-4.2, the department of local government finance shall  
 37 adjust the base assessed value one (1) time to neutralize any effect of  
 38 the reassessment of the real property in the area on the property tax  
 39 proceeds allocated to the military base reuse district under this section.  
 40 ~~After each annual adjustment under IC 6-1.1-4-4.5, the department of~~  
 41 ~~local government finance shall adjust the base assessed value to~~  
 42 ~~neutralize any effect of the annual adjustment on the property tax~~



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

11 SECTION 17. IC 36-7-30.5-30, AS AMENDED BY P.L.95-2014,  
 12 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 13 JANUARY 1, 2018]: Sec. 30. (a) The following definitions apply  
 14 throughout this section:

15 (1) "Allocation area" means that part of a military base  
 16 development area to which an allocation provision of a  
 17 declaratory resolution adopted under section 16 of this chapter  
 18 refers for purposes of distribution and allocation of property taxes.

19 (2) "Base assessed value" means:

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

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

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

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

36 (b) A declaratory resolution adopted under section 16 of this chapter  
 37 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory  
 38 resolutions adopted under IC 36-7-14-15 may include a provision with  
 39 respect to the allocation and distribution of property taxes for the  
 40 purposes and in the manner provided in this section. A declaratory  
 41 resolution previously adopted may include an allocation provision by  
 42 the amendment of that declaratory resolution in accordance with the



1 procedures set forth in section 18 of this chapter. The allocation  
 2 provision may apply to all or part of the military base development  
 3 area. The allocation provision must require that any property taxes  
 4 subsequently levied by or for the benefit of any public body entitled to  
 5 a distribution of property taxes on taxable property in the allocation  
 6 area be allocated and distributed as follows:

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

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

11 or

12 (B) the base assessed value;

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

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

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

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

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

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

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



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

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

13 STEP TWO: Divide:

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

20 STEP THREE: Multiply:

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

26 If not all the taxpayers in an allocation area receive the credit  
 27 in full, each taxpayer in the allocation area is entitled to  
 28 receive the same proportion of the credit. A taxpayer may not  
 29 receive a credit under this section and a credit under section  
 30 32 of this chapter (before its repeal) in the same year.

31 (F) Pay expenses incurred by the development authority for  
 32 local public improvements or structures that were in the  
 33 allocation area or directly serving or benefiting the allocation  
 34 area.

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

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

42 However, the total amount of money spent for this purpose in



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

7 (H) Expend money and provide financial assistance as  
 8 authorized in section 15(26) of this chapter.

9 The allocation fund may not be used for operating expenses of the  
 10 development authority.

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

13 (A) Determine the amount, if any, by which property taxes  
 14 payable to the allocation fund in the following year will exceed  
 15 the amount of property taxes necessary to make, when due,  
 16 principal and interest payments on bonds described in  
 17 subdivision (3) plus the amount necessary for other purposes  
 18 described in subdivisions (2) and (3).

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

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

28 (ii) state that the development authority has determined that  
 29 there is no excess assessed value that may be allocated to the  
 30 respective taxing units in the manner prescribed in  
 31 subdivision (1).

32 The county auditors shall allocate to the respective taxing units  
 33 the amount, if any, of excess assessed value determined by the  
 34 development authority. The development authority may not  
 35 authorize a payment to the respective taxing units under this  
 36 subdivision if to do so would endanger the interest of the  
 37 holders of bonds described in subdivision (3) or lessors under  
 38 section 24 of this chapter. Property taxes received by a taxing  
 39 unit under this subdivision before 2009 are eligible for the  
 40 property tax replacement credit provided under IC 6-1.1-21  
 41 (before its repeal).

42 (c) For the purpose of allocating taxes levied by or for any taxing



1 unit or units, the assessed value of taxable property in a territory in the  
2 allocation area that is annexed by a taxing unit after the effective date  
3 of the allocation provision of the declaratory resolution is the lesser of:

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

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

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

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

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

23 (g) If any part of the allocation area is located in an enterprise zone  
24 created under IC 5-28-15, the development authority shall create funds  
25 as specified in this subsection. A development authority that has  
26 obligations, bonds, or leases payable from allocated tax proceeds under  
27 subsection (b)(3) shall establish an allocation fund for the purposes  
28 specified in subsection (b)(3) and a special zone fund. The  
29 development authority shall, until the end of the enterprise zone phase  
30 out period, deposit each year in the special zone fund any amount in the  
31 allocation fund derived from property tax proceeds in excess of those  
32 described in subsection (b)(1) and (b)(2) from property located in the  
33 enterprise zone that exceeds the amount sufficient for the purposes  
34 specified in subsection (b)(3) for the year. The amount sufficient for  
35 purposes specified in subsection (b)(3) for the year shall be determined  
36 based on the pro rata part of such current property tax proceeds from  
37 the part of the enterprise zone that is within the allocation area as  
38 compared to all such current property tax proceeds derived from the  
39 allocation area. A development authority that does not have  
40 obligations, bonds, or leases payable from allocated tax proceeds under  
41 subsection (b)(3) shall establish a special zone fund and deposit all the  
42 property tax proceeds in excess of those described in subsection (b)(1)





1 and (b)(2) that are derived from property in the enterprise zone in the  
 2 fund. The development authority that creates the special zone fund  
 3 shall use the fund (based on the recommendations of the urban  
 4 enterprise association) for programs in job training, job enrichment,  
 5 and basic skill development that are designed to benefit residents and  
 6 employers in the enterprise zone or for other purposes specified in  
 7 subsection (b)(3), except that where reference is made in subsection  
 8 (b)(3) to an allocation area it shall refer for purposes of payments from  
 9 the special zone fund only to that part of the allocation area that is also  
 10 located in the enterprise zone. The programs shall reserve at least  
 11 one-half (1/2) of their enrollment in any session for residents of the  
 12 enterprise zone.

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

32 SECTION 18. IC 36-7-32-19, AS AMENDED BY P.L.112-2012,  
 33 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JANUARY 1, 2018]: Sec. 19. (a) The state board of accounts and  
 35 department of local government finance shall make the rules and  
 36 prescribe the forms and procedures that the state board of accounts and  
 37 department of local government finance consider appropriate for the  
 38 implementation of an allocation area under this chapter.

39 (b) After each general reassessment of real property in an area under  
 40 IC 6-1.1-4-4 or reassessment under a reassessment plan prepared under  
 41 IC 6-1.1-4-4.2, the department of local government finance shall adjust  
 42 the base assessed value one (1) time to neutralize any effect of the



1 reassessment of the real property in the area on the property tax  
2 proceeds allocated to the certified technology park fund under section  
3 17 of this chapter. ~~After each annual adjustment under IC 6-1.1-4-4.5,~~  
4 ~~the department of local government finance shall adjust the base~~  
5 ~~assessed value to neutralize any effect of the annual adjustment on the~~  
6 ~~property tax proceeds allocated to the certified technology park fund~~  
7 ~~under section 17 of this chapter.~~

