

# SENATE BILL No. 316

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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 certain real property for assessment dates beginning after December 31, 2019. Retains the provisions in current law that require four year cyclical reassessments. Allows a reassessment plan for the four year cyclical reassessments to include trending factors in the plan. Does not eliminate the annual adjustment for agricultural land. Makes conforming changes. Makes technical corrections.

**Effective:** January 1, 2020.

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## Niemeyer

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January 7, 2019, read first time and referred to Committee on Appropriations.

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First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## SENATE BILL No. 316

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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 6-1.1-4-4.2, AS AMENDED BY P.L.111-2014,  
2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2020]: Sec. 4.2. (a) The county assessor of each county  
4 shall, before July 1, 2013, and before May 1 of every fourth year  
5 thereafter, prepare and submit to the department of local government  
6 finance a reassessment plan for the county. The following apply to a  
7 reassessment plan prepared and submitted under this section:  
8 (1) The reassessment plan is subject to approval by the  
9 department of local government finance. The department of local  
10 government finance shall complete its review and approval of the  
11 reassessment plan before:  
12 (A) March 1, 2015; and  
13 (B) January 1 of each subsequent year that follows a year in  
14 which the reassessment plan is submitted by the county.  
15 (2) The department of local government finance shall determine  
16 the classes of real property to be used for purposes of this section.  
17 (3) Except as provided in subsection (b), the reassessment plan



- 1 must divide all parcels of real property in the county into four (4)  
 2 different groups of parcels. Each group of parcels must contain  
 3 approximately twenty-five percent (25%) of the parcels within  
 4 each class of real property in the county.
- 5 (4) Except as provided in subsection (b), all real property in each  
 6 group of parcels shall be reassessed under the county's  
 7 reassessment plan once during each four (4) year cycle.
- 8 (5) The reassessment of a group of parcels in a particular class of  
 9 real property shall begin on May 1 of a year.
- 10 (6) The reassessment of parcels:
- 11 (A) must include a physical inspection of each parcel of real  
 12 property in the group of parcels that is being reassessed; and  
 13 (B) shall be completed on or before January 1 of the year after  
 14 the year in which the reassessment of the group of parcels  
 15 begins.
- 16 (7) For real property included in a group of parcels that is  
 17 reassessed, the reassessment is the basis for taxes payable in the  
 18 year following the year in which the reassessment is to be  
 19 completed.
- 20 (8) The reassessment plan must specify the dates by which the  
 21 assessor must submit land values under section 13.6 of this  
 22 chapter to the county property tax assessment board of appeals.
- 23 (9) Subject to review and approval by the department of local  
 24 government finance, the county assessor may modify the  
 25 reassessment plan.
- 26 **(10) Beginning after December 31, 2019, a reassessment plan**  
 27 **may include a system for adjusting the assessed value of**  
 28 **groups of parcels that are reassessed under the plan to**  
 29 **account for changes in value in those years since a**  
 30 **reassessment of the parcels last took effect. A system must**  
 31 **include characteristics that do the following:**
- 32 (A) **Promote uniform and equal assessment of real**  
 33 **property within and across classifications.**
- 34 (B) **Require that assessing officials:**
- 35 (i) **reevaluate the factors that affect value;**  
 36 (ii) **express the interactions of those factors**  
 37 **mathematically;**  
 38 (iii) **use mass appraisal techniques to estimate updated**  
 39 **property values within statistical measures of accuracy;**  
 40 **and**  
 41 (iv) **provide notice to taxpayers of an assessment increase**  
 42 **that results from the application of annual adjustments.**



1                   **(C) Prescribe procedures that permit the application of the**  
 2                   **adjustment percentages in an efficient manner by assessing**  
 3                   **officials.**

4           (b) A county may submit a reassessment plan that provides for  
 5 reassessing more than twenty-five percent (25%) of all parcels of real  
 6 property in the county in a particular year. A plan may provide that all  
 7 parcels are to be reassessed in one (1) year. However, a plan must  
 8 cover a four (4) year period. All real property in each group of parcels  
 9 shall be reassessed under the county's reassessment plan once during  
 10 each reassessment cycle.

11           (c) The reassessment of the first group of parcels under a county's  
 12 reassessment plan shall begin on July 1, 2014, and shall be completed  
 13 on or before January 1, 2015.

14           (d) The department of local government finance may adopt rules to  
 15 govern the reassessment of property under county reassessment plans.

16           SECTION 2. IC 6-1.1-4-4.4, AS AMENDED BY P.L.245-2015,  
 17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JANUARY 1, 2020]: Sec. 4.4. (a) This section applies to an assessment  
 19 under section 4.2 or ~~4.5~~ **13.2** of this chapter or another law.

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

- 23                   (1) each change; and  
 24                   (2) the reason that each change was made.

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

27           SECTION 3. IC 6-1.1-4-4.5 IS REPEALED [EFFECTIVE  
 28 JANUARY 1, 2020]. Sec. 4.5: (a) The department of local government  
 29 finance shall adopt rules establishing a system for annually adjusting  
 30 the assessed value of real property to account for changes in value in  
 31 those years since a reassessment under section 4.2 of this chapter for  
 32 the property last took effect.

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

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

- 39                   (1) Promote uniform and equal assessment of real property within  
 40                   and across classifications;  
 41                   (2) Require that assessing officials:  
 42                   (A) reevaluate the factors that affect value;



- 1 (B) express the interactions of those factors mathematically;  
 2 (C) use mass appraisal techniques to estimate updated property  
 3 values within statistical measures of accuracy; and  
 4 (D) provide notice to taxpayers of an assessment increase that  
 5 results from the application of annual adjustments.  
 6 (3) Prescribe procedures that permit the application of the  
 7 adjustment percentages in an efficient manner by assessing  
 8 officials.  
 9 (d) The department of local government finance must review and  
 10 certify each annual adjustment determined under this section.  
 11 (e) In making the annual determination of the base rate to satisfy the  
 12 requirement for an annual adjustment for each assessment date, the  
 13 department of local government finance shall not later than March 1 of  
 14 each year determine the base rate using the methodology reflected in  
 15 Table 2-18 of Book 1, Chapter 2 of the department of local government  
 16 finance's Real Property Assessment Guidelines (as in effect on January  
 17 1, 2005); except that the department shall adjust the methodology as  
 18 follows:  
 19 (1) Use a six (6) year rolling average adjusted under subdivision  
 20 (3) instead of a four (4) year rolling average.  
 21 (2) Use the data from the six (6) most recent years preceding the  
 22 year in which the assessment date occurs for which data is  
 23 available; before one (1) of those six (6) years is eliminated under  
 24 subdivision (3) when determining the rolling average.  
 25 (3) Eliminate in the calculation of the rolling average the year  
 26 among the six (6) years for which the highest market value in use  
 27 of agricultural land is determined.  
 28 (4) After determining a preliminary base rate that would apply for  
 29 the assessment date without applying the adjustment under this  
 30 subdivision; the department of local government finance shall  
 31 adjust the preliminary base rate as follows:  
 32 (A) If the preliminary base rate for the assessment date would  
 33 be at least ten percent (10%) greater than the final base rate  
 34 determined for the preceding assessment date; a capitalization  
 35 rate of eight percent (8%) shall be used to determine the final  
 36 base rate.  
 37 (B) If the preliminary base rate for the assessment date would  
 38 be at least ten percent (10%) less than the final base rate  
 39 determined for the preceding assessment date; a capitalization  
 40 rate of six percent (6%) shall be used to determine the final  
 41 base rate.  
 42 (C) If neither clause (A) nor clause (B) applies; a capitalization



1 rate of seven percent (7%) shall be used to determine the final  
2 base rate.

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

7 (i) that market value in use shall be recalculated by using the  
8 capitalization rate determined under clauses (A) through (C)  
9 for the calculation of the base rate for the assessment date;  
10 and

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

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

18 (g) The department shall release the department's annual  
19 determination of the base rate on or before March 1 of each year.

20 SECTION 4. IC 6-1.1-4-4.6 IS REPEALED [EFFECTIVE  
21 JANUARY 1, 2020]. Sec: 4-6: (a) If a county assessor fails before July  
22 2 of a particular year for which an adjustment to the assessed value of  
23 real property applies under section 4.5 of this chapter to prepare and  
24 deliver to the county auditor a complete detailed list of all of the real  
25 property listed for taxation in the county as required by IC 6-1.1-5-14  
26 and at least one hundred eighty (180) days have elapsed after the  
27 deadline specified in IC 6-1.1-5-14 for the county assessor to deliver  
28 the list, the department of local government finance may develop  
29 annual adjustment factors under this section for that year. In developing  
30 annual adjustment factors under this section, the department of local  
31 government finance shall use data in its possession that is obtained  
32 from:

33 (1) the county assessor; or

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

37 (b) Using the data described in subsection (a), the department of  
38 local government finance shall propose to establish annual adjustment  
39 factors for the affected tax districts for one (1) or more of the classes  
40 of real property. The proposal may provide for the equalization of  
41 annual adjustment factors in the affected township or county and in  
42 adjacent areas. The department of local government finance shall issue



1 notice and provide opportunity for hearing in accordance with  
 2 IC 6-1.1-14-4 and IC 6-1.1-14-9; as applicable, before issuing final  
 3 annual adjustment factors.

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

8 (1) the assessment date; and

9 (2) the real property;

10 specified in the final determination of the department of local  
 11 government finance.

12 SECTION 5. IC 6-1.1-4-4.9 IS ADDED TO THE INDIANA CODE  
 13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 14 JANUARY 1, 2020]: **Sec. 4.9. Except as provided in section 13.2 of  
 15 this chapter, the annual adjustments to assessed value of real  
 16 property under section 4.5 of this chapter (before its repeal on  
 17 January 1, 2020) and section 4.6 of this chapter (before its repeal  
 18 on January 1, 2020) apply only to assessment dates before January  
 19 1, 2020.**

20 SECTION 6. IC 6-1.1-4-13.2, AS AMENDED BY P.L.180-2016,  
 21 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 22 JANUARY 1, 2020]: **Sec. 13.2. (a) The assessed value of  
 23 agricultural land shall be annually adjusted to account for changes  
 24 in value in those years since a reassessment under section 4.2 of  
 25 this chapter for the property last took effect.**

26 **(b) The department of local government finance shall review  
 27 and certify each annual adjustment determined for agricultural  
 28 land under this section.**

29 **(c) Notwithstanding the provisions of this chapter and any real  
 30 property assessment guidelines of the department of local government  
 31 finance, for the property tax assessment of agricultural land for the  
 32 2015 assessment date, the statewide agricultural land base rate value  
 33 per acre used to determine the value of agricultural land is two  
 34 thousand fifty dollars (\$2,050).**

35 **(d) In making the annual determination of the base rate to  
 36 satisfy the requirement for an annual adjustment under subsection  
 37 (a) for the January 1, 2016, assessment date and each assessment  
 38 date thereafter, the department of local government finance shall  
 39 not later than March 1 of each year determine the base rate using  
 40 the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the  
 41 department of local government finance's Real Property  
 42 Assessment Guidelines (as in effect on January 1, 2005), except that**



1 the department shall adjust the methodology as follows:

2 (1) Use a six (6) year rolling average adjusted under  
3 subdivision (3) instead of a four (4) year rolling average.

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

8 (3) Eliminate in the calculation of the rolling average the year  
9 among the six (6) years for which the highest market value in  
10 use of agricultural land is determined.

11 (4) After determining a preliminary base rate that would  
12 apply for the assessment date without applying the  
13 adjustment under this subdivision, the department of local  
14 government finance shall adjust the preliminary base rate as  
15 follows:

16 (A) If the preliminary base rate for the assessment date  
17 would be at least ten percent (10%) greater than the final  
18 base rate determined for the preceding assessment date, a  
19 capitalization rate of eight percent (8%) shall be used to  
20 determine the final base rate.

21 (B) If the preliminary base rate for the assessment date  
22 would be at least ten percent (10%) less than the final base  
23 rate determined for the preceding assessment date, a  
24 capitalization rate of six percent (6%) shall be used to  
25 determine the final base rate.

26 (C) If neither clause (A) nor clause (B) applies, a  
27 capitalization rate of seven percent (7%) shall be used to  
28 determine the final base rate.

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

33 (i) that market value in use shall be recalculated by using  
34 the capitalization rate determined under clauses (A)  
35 through (C) for the calculation of the base rate for the  
36 assessment date; and

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

40 (e) For assessment dates after December 31, 2009, an  
41 adjustment in the assessed value of real property under this section  
42 shall be based on the estimated true tax value of the property on





1 **the assessment date that is the basis for taxes payable on that real**  
 2 **property.**

3 **(f) The department shall release the department's annual**  
 4 **determination of the base rate on or before March 1 of each year.**

5 SECTION 7. IC 6-1.1-4-16, AS AMENDED BY P.L.86-2018,  
 6 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JANUARY 1, 2020]: Sec. 16. (a) For purposes of making a  
 8 reassessment of real property under section 4.2 of this chapter or  
 9 annual adjustments under section ~~4.5~~ **13.2** of this chapter **for**  
 10 **agricultural land**, a township assessor (if any) and a county assessor  
 11 may employ:

- 12 (1) deputies;  
 13 (2) employees; and  
 14 (3) technical advisors who are:  
 15 (A) qualified to determine real property values;  
 16 (B) professional appraisers certified under 50 IAC 15; and  
 17 (C) employed either on a full-time or a part-time basis, subject  
 18 to sections 18.5 and 19.5 of this chapter.

19 (b) The county council of each county shall appropriate the funds  
 20 necessary for the employment of deputies, employees, or technical  
 21 advisors employed under subsection (a). ~~of this section.~~

22 SECTION 8. IC 6-1.1-4-22, AS AMENDED BY P.L.232-2017,  
 23 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JANUARY 1, 2020]: Sec. 22. (a) If any assessing official assesses or  
 25 reassesses any real property under this article (including an annual  
 26 adjustment **for agricultural land** under section ~~4.5~~ **13.2** of this  
 27 chapter), the official shall give notice to the taxpayer and the county  
 28 assessor, by mail or by using electronic mail that includes a secure  
 29 Internet link to the information in the notice, of the amount of the  
 30 assessment or reassessment.

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

- 33 (1) ninety (90) days after the assessor:  
 34 (A) completes the appraisal of a parcel; or  
 35 (B) receives a report for a parcel from a professional appraiser  
 36 or professional appraisal firm; or  
 37 (2) April 10 of the year containing the assessment date for which  
 38 the assessment or reassessment first applies, if the assessment  
 39 date occurs in a year that ends before January 1, 2016, and  
 40 February 10 of the year containing the assessment date for which  
 41 the assessment or reassessment first applies, if the assessment  
 42 date occurs in a year that begins after December 31, 2015.



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

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

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

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

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

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

16 SECTION 9. IC 6-1.1-4-27.5, AS AMENDED BY P.L.5-2015,  
 17 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JANUARY 1, 2020]: Sec. 27.5. (a) The auditor of each county shall  
 19 establish a property reassessment fund. The county treasurer shall  
 20 deposit all collections resulting from the property taxes that the county  
 21 levies for the county's property reassessment fund.

22 (b) With respect to a reassessment of real property under a county's  
 23 reassessment plan under section 4.2 of this chapter, the county council  
 24 of each county shall, for property taxes due each year, levy against all  
 25 the taxable property in the county an amount equal to the estimated  
 26 costs of the reassessment under section 28.5 of this chapter for the  
 27 group of parcels to be reassessed in that year.

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

30 (1) a reassessment of one (1) or more groups of parcels under a  
 31 county's reassessment plan prepared under section 4.2 of this  
 32 chapter;

33 (2) verification under 50 IAC 27-4-7 of sales disclosure forms  
 34 forwarded to the county assessor under IC 6-1.1-5.5-3; or

35 (3) processing annual adjustments **for agricultural land** under  
 36 section ~~4.5~~ **13.2** of this chapter.

37 The assessor must document the needs and reasons for the increased  
 38 funding.

39 **(d) This subsection applies to an assessment date beginning after**  
 40 **December 31, 2019. If a county fiscal body increased the levy under**  
 41 **subsection (b) to pay for the costs of processing annual adjustments**  
 42 **under section 4.5 of this chapter (before its repeal on January 1,**



1     **2020), the county fiscal body shall reduce the levy under subsection**  
2     **(b) by an amount equal to:**  
3         **(1) the amount of the prior increase imposed to pay for the**  
4         **costs of processing annual adjustments before January 1,**  
5         **2020; minus**  
6         **(2) the relative amount of the prior increase in subdivision (1)**  
7         **that is attributable to the costs of processing annual**  
8         **adjustments for agricultural land under section 13.2 of this**  
9         **chapter.**  
10     ~~(d)~~ **(e)** If the county fiscal body denies a petition under subsection  
11     (c), the county assessor may appeal to the department of local  
12     government finance. The department of local government finance shall:  
13         (1) hear the appeal; and  
14         (2) determine whether the additional levy is necessary.  
15     SECTION 10. IC 6-1.1-4-28.5, AS AMENDED BY P.L.86-2018,  
16     SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
17     JANUARY 1, 2020]: Sec. 28.5. (a) Money assigned to a property  
18     reassessment fund under section 27.5 of this chapter may be used only  
19     to pay the costs of:  
20         (1) the reassessment of one (1) or more groups of parcels under  
21         a county's reassessment plan prepared under section 4.2 of this  
22         chapter, including the computerization of assessment records;  
23         (2) payments to assessing officials and hearing officers for county  
24         property tax assessment boards of appeals under IC 6-1.1-35.2;  
25         (3) the development or updating of detailed soil survey data by  
26         the United States Department of Agriculture or its successor  
27         agency;  
28         (4) the updating of plat books;  
29         (5) payments for the salary of permanent staff or for the  
30         contractual services of temporary staff who are necessary to assist  
31         assessing officials;  
32         (6) making annual adjustments **for agricultural land** under  
33         section ~~4.5~~ **13.2** of this chapter; and  
34         (7) the verification under 50 IAC 27-4-7 of sales disclosure forms  
35         forwarded to:  
36                 (A) the county assessor; or  
37                 (B) township assessors (if any);  
38         under IC 6-1.1-5.5-3.  
39     Money in a property reassessment fund may not be transferred or  
40     reassigned to any other fund and may not be used for any purposes  
41     other than those set forth in this section.  
42         (b) All counties shall use modern, detailed soil maps in the



1 reassessment of agricultural land.

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

6 (d) An appropriation under this section must be approved by the  
7 fiscal body of the county after the review and recommendation of the  
8 county assessor. However, in a county with a township assessor in  
9 every township, the county assessor does not review an appropriation  
10 under this section, and only the fiscal body must approve an  
11 appropriation under this section.

12 SECTION 11. IC 6-1.1-4-42, AS ADDED BY P.L.182-2009(ss),  
13 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JANUARY 1, 2020]: Sec. 42. (a) This section applies to assessment  
15 dates after January 15, 2010.

16 (b) As used in this section, "golf course" means an area of land and  
17 yard improvements that are predominately used to play the game of  
18 golf. A golf course consists of a series of holes, each consisting of a  
19 teeing area, fairway, rough and other hazards, and the green with the  
20 pin and cup.

21 (c) The true tax value of real property regularly used as a golf course  
22 is the valuation determined by applying the income capitalization  
23 appraisal approach. The income capitalization approach used to  
24 determine the true tax value of a golf course must:

- 25 (1) incorporate an applicable income capitalization method and  
26 appropriate capitalization rates that are developed and used in  
27 computations that lead to an indication of value commensurate  
28 with the risks for the subject property use;  
29 (2) provide for the uniform and equal assessment of golf courses  
30 of similar grade quality and play length; and  
31 (3) exclude the value of personal property, intangible property,  
32 and income derived from personal or intangible property.

33 (d) For assessment dates after January 15, 2010, and before March  
34 1, 2012, a township assessor (if any) or the county assessor shall gather  
35 and process information from the owner of a golf course to carry out  
36 this section in accordance with the rules adopted by the department of  
37 local government finance under IC 4-22-2.

38 (e) For assessment dates after February 28, 2012, the department of  
39 local government finance shall, by rules adopted under IC 4-22-2,  
40 establish uniform income capitalization tables and procedures to be  
41 used for the assessment of golf courses. The department of local  
42 government finance may rely on analysis conducted by a state



1 educational institution to develop the income capitalization tables and  
 2 procedures required under this section. Assessing officials shall use the  
 3 tables and procedures adopted by the department of local government  
 4 finance to assess **and** reassess **and annually adjust** the assessed value  
 5 of golf courses.

6 (f) The department of local government finance may prescribe  
 7 procedures, forms, and due dates for the collection from the owners or  
 8 operators of golf courses of the necessary earnings, income, profits,  
 9 losses, and expenditures data necessary to carry out this section. An  
 10 owner or operator of a golf course shall comply with the procedures  
 11 and reporting schedules prescribed by the department of local  
 12 government finance.

13 SECTION 12. IC 6-1.1-12.4-2, AS AMENDED BY P.L.86-2018,  
 14 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JANUARY 1, 2020]: Sec. 2. (a) For purposes of this section, an  
 16 increase in the assessed value of real property is determined in the  
 17 same manner that an increase in the assessed value of real property is  
 18 determined for purposes of IC 6-1.1-12.1.

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

- 23 (1) develops, redevelops, or rehabilitates the real property; and
- 24 (2) creates or retains employment from the development,  
 25 redevelopment, or rehabilitation;

26 is entitled to a deduction from the assessed value of the real property.

27 (c) Subject to section 14 of this chapter, the deduction under this  
 28 section is first available in the year in which the increase in assessed  
 29 value resulting from the development, redevelopment, or rehabilitation  
 30 occurs and continues for the following two (2) years. The amount of the  
 31 deduction that a property owner may receive with respect to real  
 32 property located in a county for a particular year equals the lesser of:

- 33 (1) two million dollars (\$2,000,000); or
- 34 (2) the product of:
  - 35 (A) the increase in assessed value resulting from the
  - 36 development, rehabilitation, or redevelopment; multiplied by
  - 37 (B) the percentage from the following table:

38 YEAR OF DEDUCTION	PERCENTAGE
39 1st	75%
40 2nd	50%
41 3rd	25%

42 (d) A property owner that qualifies for the deduction under this



1 section must file a notice to claim the deduction. The township  
 2 assessor, or the county assessor if there is no township assessor for the  
 3 township, shall:

- 4 (1) inform the county auditor of the real property eligible for the  
 5 deduction as contained in the notice filed by the taxpayer under  
 6 this subsection; and  
 7 (2) inform the county auditor of the deduction amount.

8 (e) The county auditor shall:

- 9 (1) make the deductions; and  
 10 (2) notify the county property tax assessment board of appeals of  
 11 all deductions approved;

12 under this section.

13 (f) The amount of the deduction determined under subsection (c)(2)  
 14 is adjusted to reflect the percentage increase or decrease in assessed  
 15 valuation that results from

- 16 ~~(1) a reassessment under a county's reassessment plan prepared~~  
 17 ~~under IC 6-1.1-4-4.2. or~~  
 18 ~~(2) an annual adjustment under IC 6-1.1-4-4.5.~~

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

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

25 SECTION 13. IC 6-1.1-18-12, AS AMENDED BY P.L.86-2018,  
 26 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 27 JANUARY 1, 2020]: Sec. 12. (a) For purposes of this section,  
 28 "maximum rate" refers to the maximum:

- 29 (1) property tax rate or rates; or  
 30 (2) special benefits tax rate or rates;

31 referred to in the statutes listed in subsection (d).

32 (b) The maximum rate for taxes first due and payable after 2003 is  
 33 the maximum rate that would have been determined under subsection  
 34 (e) for taxes first due and payable in 2003 if subsection (e) had applied  
 35 for taxes first due and payable in 2003.

36 (c) The maximum rate must be adjusted each year to account for the  
 37 change in assessed value of real property that results from:

- 38 (1) an annual adjustment of the assessed value of ~~real property~~  
 39 **agricultural land** under ~~IC 6-1.1-4-4.5; IC 6-1.1-4-13.2;~~ or  
 40 (2) a reassessment under a county's reassessment plan prepared  
 41 under IC 6-1.1-4-4.2.

42 (d) The statutes to which subsection (a) refers are:



- 1 (1) IC 8-10-5-17;
- 2 (2) IC 8-22-3-11;
- 3 (3) IC 8-22-3-25;
- 4 (4) IC 12-29-1-1;
- 5 (5) IC 12-29-1-2;
- 6 (6) IC 12-29-1-3;
- 7 (7) IC 12-29-3-6;
- 8 (8) IC 13-21-3-12;
- 9 (9) IC 13-21-3-15;
- 10 (10) IC 14-27-6-30;
- 11 (11) IC 14-33-7-3;
- 12 (12) IC 14-33-21-5;
- 13 (13) IC 15-14-7-4;
- 14 (14) IC 15-14-9-1;
- 15 (15) IC 15-14-9-2;
- 16 (16) IC 16-20-2-18;
- 17 (17) IC 16-20-4-27;
- 18 (18) IC 16-20-7-2;
- 19 (19) IC 16-22-14;
- 20 (20) IC 16-23-1-29;
- 21 (21) IC 16-23-3-6;
- 22 (22) IC 16-23-4-2;
- 23 (23) IC 16-23-5-6;
- 24 (24) IC 16-23-7-2;
- 25 (25) IC 16-23-8-2;
- 26 (26) IC 16-23-9-2;
- 27 (27) IC 16-41-15-5;
- 28 (28) IC 16-41-33-4;
- 29 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
- 30 (30) IC 20-46-6-5 (before its repeal on January 1, 2019);
- 31 (31) IC 20-49-2-10;
- 32 (32) IC 36-1-19-1;
- 33 (33) IC 23-14-66-2;
- 34 (34) IC 23-14-67-3;
- 35 (35) IC 36-7-13-4;
- 36 (36) IC 36-7-14-28;
- 37 (37) IC 36-7-15.1-16;
- 38 (38) IC 36-8-19-8.5;
- 39 (39) IC 36-9-6.1-2;
- 40 (40) IC 36-9-17.5-4;
- 41 (41) IC 36-9-27-73;
- 42 (42) IC 36-9-29-31;



- 1 (43) IC 36-9-29.1-15;
- 2 (44) IC 36-10-6-2;
- 3 (45) IC 36-10-7-7;
- 4 (46) IC 36-10-7-8;
- 5 (47) IC 36-10-7.5-19;
- 6 (48) IC 36-10-13-5 (before the power to impose a levy was
- 7 removed on January 1, 2019);
- 8 (49) IC 36-10-13-7 (before the power to impose a levy was
- 9 removed on January 1, 2019);
- 10 (50) IC 36-10-14-4 (before its repeal on January 1, 2019);
- 11 (51) IC 36-12-7-7;
- 12 (52) IC 36-12-7-8;
- 13 (53) IC 36-12-12-10;
- 14 (54) a statute listed in IC 6-1.1-18.5-9.8; and
- 15 (55) any statute enacted after December 31, 2003, that:
  - 16 (A) establishes a maximum rate for any part of the:
    - 17 (i) property taxes; or
    - 18 (ii) special benefits taxes;
  - 19 imposed by a political subdivision; and
  - 20 (B) does not exempt the maximum rate from the adjustment
  - 21 under this section.
- 22 (e) For property tax rates imposed for property taxes first due and
- 23 payable after December 31, 2013, the new maximum rate under a
- 24 statute listed in subsection (d) is the tax rate determined under STEP
- 25 EIGHT of the following STEPS:
  - 26 STEP ONE: Determine the maximum rate for the political
  - 27 subdivision levying a property tax or special benefits tax under
  - 28 the statute for the previous calendar year.
  - 29 STEP TWO: Determine the actual percentage change (rounded to
  - 30 the nearest one-hundredth percent (0.01%)) in the assessed value
  - 31 of the taxable property from the previous calendar year to the year
  - 32 in which the affected property taxes will be imposed.
  - 33 STEP THREE: Determine the three (3) calendar years that
  - 34 immediately precede the year in which the affected property taxes
  - 35 will be imposed.
  - 36 STEP FOUR: Compute separately, for each of the calendar years
  - 37 determined in STEP THREE, the actual percentage change
  - 38 (rounded to the nearest one-hundredth percent (0.01%)) in the
  - 39 assessed value (before the adjustment, if any, under
  - 40 IC 6-1.1-4-4.5) **(before its repeal on January 1, 2020), or**
  - 41 **before the adjustment, if any, for agricultural land under**
  - 42 **IC 6-1.1-4-13.2 beginning after December 31, 2019)** of the





- 1 taxable property from the preceding year.
- 2 STEP FIVE: Divide the sum of the three (3) quotients computed
- 3 in STEP FOUR by three (3).
- 4 STEP SIX: Determine the greater of the following:
- 5 (A) Zero (0).
- 6 (B) The STEP FIVE result.
- 7 STEP SEVEN: Determine the greater of the following:
- 8 (A) Zero (0).
- 9 (B) The result of the STEP TWO percentage minus the STEP
- 10 SIX percentage, if any.
- 11 STEP EIGHT: Determine the quotient of the STEP ONE tax rate
- 12 divided by the sum of one (1) plus the STEP SEVEN percentage,
- 13 if any.
- 14 (f) The department of local government finance shall compute the
- 15 maximum rate allowed under subsection (e) and provide the rate to
- 16 each political subdivision with authority to levy a tax under a statute
- 17 listed in subsection (d).
- 18 SECTION 14. IC 6-1.1-37-9, AS AMENDED BY P.L.232-2017,
- 19 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 20 JANUARY 1, 2020]: Sec. 9. (a) This section applies when:
- 21 (1) an assessment is made or increased after the date or dates on
- 22 which the taxes for the year for which the assessment is made
- 23 were originally due;
- 24 (2) the assessment upon which a taxpayer has been paying taxes
- 25 under IC 6-1.1-15-10(a)(1) or IC 6-1.1-15-10(a)(2) while a
- 26 petition for review or a judicial proceeding has been pending is
- 27 less than the assessment that results from the final determination
- 28 of the petition for review or judicial proceeding; or
- 29 (3) the collection of certain ad valorem property taxes has been
- 30 enjoined under IC 33-26-6-2, and under the final determination of
- 31 the petition for judicial review the taxpayer is liable for at least
- 32 part of those taxes.
- 33 (b) Except as provided in subsections (c) and (g), a taxpayer shall
- 34 pay interest on the taxes the taxpayer is required to pay as a result of an
- 35 action or a determination described in subsection (a) at the rate
- 36 established by the commissioner of the department of state revenue
- 37 under IC 6-8.1-10-1 from the original due date or dates for those taxes
- 38 to:
- 39 (1) the date of payment; or
- 40 (2) the date on which penalties for the late payment of a tax
- 41 installment may be charged under subsection (e) or (f);
- 42 whichever occurs first. The interest shall be computed using the rate in



1 effect for each particular year in which the interest accrued.

2 (c) Except as provided in subsection (g), a taxpayer shall pay  
3 interest on the taxes the taxpayer is ultimately required to pay in excess  
4 of the amount that the taxpayer is required to pay under  
5 IC 6-1.1-15-10(a)(1) while a petition for review or a judicial  
6 proceeding has been pending at the overpayment rate established under  
7 Section 6621(c)(1) of the Internal Revenue Code in effect on the  
8 original due date or dates for those taxes from the original due date or  
9 dates for those taxes to:

10 (1) the date of payment; or

11 (2) the date on which penalties for the late payment of a tax  
12 installment may be charged under subsection (e) or (f);

13 whichever occurs first.

14 (d) With respect to an action or determination described in  
15 subsection (a), the taxpayer shall pay the taxes resulting from that  
16 action or determination and the interest prescribed under subsection (b)  
17 or (c) on or before:

18 (1) the next May 10; or

19 (2) the next November 10;

20 whichever occurs first.

21 (e) A taxpayer shall begin paying the penalty prescribed in section  
22 10 of this chapter on the day after the date for payment prescribed in  
23 subsection (d) if:

24 (1) the taxpayer has not paid the amount of taxes resulting from  
25 the action or determination; and

26 (2) the taxpayer either:

27 (A) received notice of the taxes the taxpayer is required to pay  
28 as a result of the action or determination at least thirty (30)  
29 days before the date for payment; or

30 (B) voluntarily signed and filed an assessment return for the  
31 taxes.

32 (f) If subsection (e) does not apply, a taxpayer who has not paid the  
33 amount of taxes resulting from the action or determination shall begin  
34 paying the penalty prescribed in section 10 of this chapter on:

35 (1) the next May 10 which follows the date for payment  
36 prescribed in subsection (d); or

37 (2) the next November 10 which follows the date for payment  
38 prescribed in subsection (d);

39 whichever occurs first.

40 (g) A taxpayer is not subject to the payment of interest on real  
41 property assessments under subsection (b) or (c) if:

42 (1) an assessment is made or increased after the date or dates on



- 1 which the taxes for the year for which the assessment is made  
 2 were due;
- 3 (2) the assessment or the assessment increase is made as the result  
 4 of error or neglect by the assessor or by any other official  
 5 involved with the assessment of property or the collection of  
 6 property taxes; and
- 7 (3) the assessment:
- 8 (A) would have been made on the normal assessment date if  
 9 the error or neglect had not occurred; or
- 10 (B) increase would have been included in the assessment on  
 11 the normal ~~annual~~ assessment date if the error or neglect had  
 12 not occurred.
- 13 SECTION 15. IC 6-1.1-39-5, AS AMENDED BY P.L.86-2018,  
 14 SECTION 65, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 15 JANUARY 1, 2020]: Sec. 5. (a) A declaratory ordinance adopted under  
 16 section 2 of this chapter and confirmed under section 3 of this chapter  
 17 must include a provision with respect to the allocation and distribution  
 18 of property taxes for the purposes and in the manner provided in this  
 19 section. The allocation provision must apply to the entire economic  
 20 development district. The allocation provisions must require that any  
 21 property taxes subsequently levied by or for the benefit of any public  
 22 body entitled to a distribution of property taxes on taxable property in  
 23 the economic development district be allocated and distributed as  
 24 follows:
- 25 (1) Except as otherwise provided in this section, the proceeds of  
 26 the taxes attributable to the lesser of:
- 27 (A) the assessed value of the property for the assessment date  
 28 with respect to which the allocation and distribution is made;  
 29 or
- 30 (B) the base assessed value;
- 31 shall be allocated to and, when collected, paid into the funds of  
 32 the respective taxing units. However, if the effective date of the  
 33 allocation provision of a declaratory ordinance is after March 1,  
 34 1985, and before January 1, 1986, and if an improvement to  
 35 property was partially completed on March 1, 1985, the unit may  
 36 provide in the declaratory ordinance that the taxes attributable to  
 37 the assessed value of the property as finally determined for March  
 38 1, 1984, shall be allocated to and, when collected, paid into the  
 39 funds of the respective taxing units.
- 40 (2) Except as otherwise provided in this section, part or all of the  
 41 property tax proceeds in excess of those described in subdivision  
 42 (1), as specified in the declaratory ordinance, shall be allocated to



1 the unit for the economic development district and, when  
 2 collected, paid into a special fund established by the unit for that  
 3 economic development district that may be used only to pay the  
 4 principal of and interest on obligations owed by the unit under  
 5 IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of  
 6 industrial development programs in, or serving, that economic  
 7 development district. The amount not paid into the special fund  
 8 shall be paid to the respective units in the manner prescribed by  
 9 subdivision (1).

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

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

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 economic development district that is annexed by any taxing unit after  
 25 the effective date of the allocation provision of the declaratory  
 26 ordinance is the lesser of:

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

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

34 (e) Notwithstanding any other law, the assessed value of all taxable  
 35 property in the economic development district, for purposes of tax  
 36 limitation, property tax replacement, and formulation of the budget, tax  
 37 rate, and tax levy for each political subdivision in which the property  
 38 is located, is the lesser of:

- 39 (1) the assessed value of the property as valued without regard to
- 40 this section; or
- 41 (2) the base assessed value.

42 (f) The state board of accounts and department of local government



1 finance shall make the rules and prescribe the forms and procedures  
 2 that they consider expedient for the implementation of this chapter.  
 3 After each reassessment of a group of parcels under a reassessment  
 4 plan prepared under IC 6-1.1-4-4.2 the department of local government  
 5 finance shall adjust the base assessed value one (1) time to neutralize  
 6 any effect of the reassessment on the property tax proceeds allocated  
 7 to the district under this section. After each annual adjustment **for**  
 8 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
 9 department of local government finance shall adjust the base assessed  
 10 value to neutralize any effect of the annual adjustment on the property  
 11 tax proceeds allocated to the district under this section. However, the  
 12 adjustments under this subsection may not include the effect of  
 13 property tax abatements under IC 6-1.1-12.1.

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

- 15 (1) taxes imposed under this article on real property; and
- 16 (2) any part of the taxes imposed under this article on depreciable  
 17 personal property that the unit has by ordinance allocated to the  
 18 economic development district. However, the ordinance may not  
 19 limit the allocation to taxes on depreciable personal property with  
 20 any particular useful life or lives.

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

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

- 27 (1) the net assessed value of all the property as finally determined  
 28 for the assessment date immediately preceding the effective date  
 29 of the allocation provision of the declaratory resolution, as  
 30 adjusted under subsection (f); plus
- 31 (2) to the extent that it is not included in subdivision (1), the net  
 32 assessed value of property that is assessed as residential property  
 33 under the rules of the department of local government finance, as  
 34 finally determined for any assessment date after the effective date  
 35 of the allocation provision.

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

39 SECTION 16. IC 8-22-3.5-11, AS AMENDED BY P.L.86-2018,  
 40 SECTION 144, IS AMENDED TO READ AS FOLLOWS  
 41 [EFFECTIVE JANUARY 1, 2020]: Sec. 11. (a) The state board of  
 42 accounts and the department of local government finance shall make



1 the rules and prescribe the forms and procedures that the state board of  
2 accounts and department consider appropriate for the implementation  
3 of this chapter.

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

9 (c) After each annual adjustment **for agricultural land** under  
10 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government  
11 finance shall adjust the base assessed value (as defined in section 9 of  
12 this chapter) to neutralize any effect of the annual adjustment on the  
13 property tax proceeds allocated to the airport development zone's  
14 special funds under section 9 of this chapter.

15 SECTION 17. IC 36-7-14-39, AS AMENDED BY P.L.86-2018,  
16 SECTION 344, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JANUARY 1, 2020]: Sec. 39. (a) As used in this section:

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

22 "Base assessed value" means the following:

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

26 (A) 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); plus

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

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

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

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



1           assessed value of property that is assessed as residential  
2           property under the rules of the department of local government  
3           finance, as finally determined for any assessment date after the  
4           effective date of the allocation provision.

5           (3) If:

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

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

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

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

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

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

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

42          (b) A declaratory resolution adopted under section 15 of this chapter



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





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



- 1 under IC 36-1-10.
- 2 (I) For property taxes first due and payable before January 1,  
3 2009, pay all or a part of a property tax replacement credit to  
4 taxpayers in an allocation area as determined by the  
5 redevelopment commission. This credit equals the amount  
6 determined under the following STEPS for each taxpayer in a  
7 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
8 part of the allocation area:
- 9 STEP ONE: Determine that part of the sum of the amounts  
10 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
11 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
12 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to  
13 the taxing district.
- 14 STEP TWO: Divide:
- 15 (i) that part of each county's eligible property tax  
16 replacement amount (as defined in IC 6-1.1-21-2 (before its  
17 repeal)) for that year as determined under IC 6-1.1-21-4  
18 (before its repeal) that is attributable to the taxing district;  
19 by
- 20 (ii) the STEP ONE sum.
- 21 STEP THREE: Multiply:
- 22 (i) the STEP TWO quotient; times  
23 (ii) the total amount of the taxpayer's taxes (as defined in  
24 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
25 that have been allocated during that year to an allocation  
26 fund under this section.
- 27 If not all the taxpayers in an allocation area receive the credit  
28 in full, each taxpayer in the allocation area is entitled to  
29 receive the same proportion of the credit. A taxpayer may not  
30 receive a credit under this section and a credit under section  
31 39.5 of this chapter (before its repeal) in the same year.
- 32 (J) Pay expenses incurred by the redevelopment commission  
33 for local public improvements that are in the allocation area or  
34 serving the allocation area. Public improvements include  
35 buildings, parking facilities, and other items described in  
36 section 25.1(a) of this chapter.
- 37 (K) Reimburse public and private entities for expenses  
38 incurred in training employees of industrial facilities that are  
39 located:
- 40 (i) in the allocation area; and  
41 (ii) on a parcel of real property that has been classified as  
42 industrial property under the rules of the department of local



1 government finance.

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

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

16 (i) Make, when due, any payments required under clauses  
 17 (A) through (K), including any payments of principal and  
 18 interest on bonds and other obligations payable under this  
 19 subdivision, any payments of premiums under this  
 20 subdivision on the redemption before maturity of bonds, and  
 21 any payments on leases payable under this subdivision.

22 (ii) Make any reimbursements required under this  
 23 subdivision.

24 (iii) Pay any expenses required under this subdivision.

25 (iv) Establish, augment, or restore any debt service reserve  
 26 under this subdivision.

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

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

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

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

42 (B) Provide a written notice to the county auditor, the fiscal



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

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

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

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

21 (C) If:

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

27 (ii) the amount necessary for other purposes described in  
 28 subdivision (3);

29 the commission shall submit to the legislative body of the unit  
 30 its determination of the excess assessed value that the  
 31 commission proposes to allocate to the respective taxing units  
 32 in the manner prescribed in subdivision (1). The legislative  
 33 body of the unit may approve the commission's determination  
 34 or modify the amount of the excess assessed value that will be  
 35 allocated to the respective taxing units in the manner  
 36 prescribed in subdivision (1).

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

42 (1) the assessed value of the property for the assessment date with



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



1 enrichment, and basic skill development that are designed to benefit  
 2 residents and employers in the enterprise zone or other purposes  
 3 specified in subsection (b)(3), except that where reference is made in  
 4 subsection (b)(3) to allocation area it shall refer for purposes of  
 5 payments from the special zone fund only to that part of the allocation  
 6 area that is also located in the enterprise zone. Those programs shall  
 7 reserve at least one-half (1/2) of their enrollment in any session for  
 8 residents of the enterprise zone.

9 (h) The state board of accounts and department of local government  
 10 finance shall make the rules and prescribe the forms and procedures  
 11 that they consider expedient for the implementation of this chapter.  
 12 After each reassessment in an area under a reassessment plan prepared  
 13 under IC 6-1.1-4-4.2, the department of local government finance shall  
 14 adjust the base assessed value one (1) time to neutralize any effect of  
 15 the reassessment of the real property in the area on the property tax  
 16 proceeds allocated to the redevelopment district under this section.  
 17 After each annual adjustment **for agricultural land** under  
 18 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government  
 19 finance shall adjust the base assessed value one (1) time to neutralize  
 20 any effect of the annual adjustment on the property tax proceeds  
 21 allocated to the redevelopment district under this section. However, the  
 22 adjustments under this subsection:

23 (1) may not include the effect of phasing in assessed value due to  
 24 property tax abatements under IC 6-1.1-12.1;

25 (2) may not produce less property tax proceeds allocable to the  
 26 redevelopment district under subsection (b)(3) than would  
 27 otherwise have been received if the reassessment under the  
 28 reassessment plan or the annual adjustment **for agricultural land**  
 29 had not occurred; and

30 (3) may decrease base assessed value only to the extent that  
 31 assessed values in the allocation area have been decreased due to  
 32 annual adjustments **for agricultural land** or the reassessment  
 33 under the reassessment plan.

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

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

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

42 (2) Subject to subdivision (3), the initial allocation deadline and



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

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

8 (A) terminates the automatic extension of allocation deadlines  
 9 under subdivision (2); and

10 (B) specifically designates a particular date as the final  
 11 allocation deadline.

12 SECTION 18. IC 36-7-15.1-26, AS AMENDED BY P.L.86-2018,  
 13 SECTION 345, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JANUARY 1, 2020]: Sec. 26. (a) As used in this section:

15 "Allocation area" means that part of a redevelopment project area  
 16 to which an allocation provision of a resolution adopted under section  
 17 8 of this chapter refers for purposes of distribution and allocation of  
 18 property taxes.

19 "Base assessed value" means the following:

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

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

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

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





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

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

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

41 or

42 (B) the base assessed value;



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



1 parking facility that is physically located in or physically  
 2 connected to that allocation area under any lease entered into  
 3 under IC 36-1-10.

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

6 (i) in the allocation area; and

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

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

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

24 (i) Make, when due, any payments required under clauses  
 25 (A) through (I), including any payments of principal and  
 26 interest on bonds and other obligations payable under this  
 27 subdivision, any payments of premiums under this  
 28 subdivision on the redemption before maturity of bonds, and  
 29 any payments on leases payable under this subdivision.

30 (ii) Make any reimbursements required under this  
 31 subdivision.

32 (iii) Pay any expenses required under this subdivision.

33 (iv) Establish, augment, or restore any debt service reserve  
 34 under this subdivision.

35 (K) Expend money and provide financial assistance as  
 36 authorized in section 7(a)(21) of this chapter.

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

39 (4) Before June 15 of each year, the commission shall do the  
 40 following:

41 (A) Determine the amount, if any, by which the assessed value  
 42 of the taxable property in the allocation area for the most



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

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

14 The notice must:

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

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

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

28 (C) If:

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

34 (ii) the amount necessary for other purposes described in  
 35 subdivision (3) and subsection (g);

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



- 1 manner prescribed in subdivision (1).
- 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 the 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 reassessment under a reassessment plan prepared under  
24 IC 6-1.1-4-4.2, the department of local government finance shall adjust  
25 the base assessed value one (1) time to neutralize any effect of the  
26 reassessment of the real property in the area on the property tax  
27 proceeds allocated to the redevelopment district under this section.  
28 After each annual adjustment **for agricultural land** under  
29 ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the department of local government  
30 finance shall adjust the base assessed value to neutralize any effect of  
31 the annual adjustment on the property tax proceeds allocated to the  
32 redevelopment district under this section. However, the adjustments  
33 under this subsection may not include the effect of property tax  
34 abatements under IC 6-1.1-12.1, and these adjustments may not  
35 produce less property tax proceeds allocable to the redevelopment  
36 district under subsection (b)(3) than would otherwise have been  
37 received if the reassessment under the reassessment plan or annual  
38 adjustment **for agricultural land** had not occurred. The department of  
39 local government finance may prescribe procedures for county and  
40 township officials to follow to assist the department in making the  
41 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 19. IC 36-7-15.1-53, AS AMENDED BY P.L.86-2018,  
16 SECTION 346, IS AMENDED TO READ AS FOLLOWS  
17 [EFFECTIVE JANUARY 1, 2020]: Sec. 53. (a) As used in this section:

18 "Allocation area" means that part of a redevelopment project area  
19 to which an allocation provision of a resolution adopted under section  
20 40 of this chapter refers for purposes of distribution and allocation of  
21 property taxes.

22 "Base assessed value" means:

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

27 (2) to the extent that it is not included in subdivision (1), the net  
28 assessed value of property that is assessed as residential property  
29 under the rules of the department of local government finance, as  
30 finally determined for any assessment date after the effective date  
31 of the allocation provision.

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

34 (b) A resolution adopted under section 40 of this chapter on or  
35 before the allocation deadline determined under subsection (i) may  
36 include a provision with respect to the allocation and distribution of  
37 property taxes for the purposes and in the manner provided in this  
38 section. A resolution previously adopted may include an allocation  
39 provision by the amendment of that resolution on or before the  
40 allocation deadline determined under subsection (i) in accordance with  
41 the procedures required for its original adoption. A declaratory  
42 resolution or an amendment that establishes an allocation provision



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

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

23 (A) the assessed value of the property for the assessment date  
24 with respect to which the allocation and distribution is made;  
25 or

26 (B) the base assessed value;

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

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

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





- 1 (A) Pay the principal of and interest on any obligations
- 2 payable solely from allocated tax proceeds that are incurred by
- 3 the redevelopment district for the purpose of financing or
- 4 refinancing the redevelopment of that allocation area.
- 5 (B) Establish, augment, or restore the debt service reserve for
- 6 bonds payable solely or in part from allocated tax proceeds in
- 7 that allocation area.
- 8 (C) Pay the principal of and interest on bonds payable from
- 9 allocated tax proceeds in that allocation area and from the
- 10 special tax levied under section 50 of this chapter.
- 11 (D) Pay the principal of and interest on bonds issued by the
- 12 excluded city to pay for local public improvements that are
- 13 physically located in or physically connected to that allocation
- 14 area.
- 15 (E) Pay premiums on the redemption before maturity of bonds
- 16 payable solely or in part from allocated tax proceeds in that
- 17 allocation area.
- 18 (F) Make payments on leases payable from allocated tax
- 19 proceeds in that allocation area under section 46 of this
- 20 chapter.
- 21 (G) Reimburse the excluded city for expenditures for local
- 22 public improvements (which include buildings, park facilities,
- 23 and other items set forth in section 45 of this chapter) that are
- 24 physically located in or physically connected to that allocation
- 25 area.
- 26 (H) Reimburse the unit for rentals paid by it for a building or
- 27 parking facility that is physically located in or physically
- 28 connected to that allocation area under any lease entered into
- 29 under IC 36-1-10.
- 30 (I) Reimburse public and private entities for expenses incurred
- 31 in training employees of industrial facilities that are located:
- 32 (i) in the allocation area; and
- 33 (ii) on a parcel of real property that has been classified as
- 34 industrial property under the rules of the department of local
- 35 government finance.
- 36 However, the total amount of money spent for this purpose in
- 37 any year may not exceed the total amount of money in the
- 38 allocation fund that is attributable to property taxes paid by the
- 39 industrial facilities described in this clause. The
- 40 reimbursements under this clause must be made within three
- 41 (3) years after the date on which the investments that are the
- 42 basis for the increment financing are made.



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



1 irrevocably pledged by the redevelopment district for payment as set  
2 forth in subsection (b)(3).

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

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

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

14 (2) the base assessed value.

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

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

40 (2) To make loans and grants for the purpose of stimulating  
41 business activity in the enterprise zone or providing employment  
42 for enterprise zone residents in an enterprise zone. These loans



1 and grants may be made to the following:

2 (A) Businesses operating in the enterprise zone.

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

5 (3) To provide funds to carry out other purposes specified in  
6 subsection (b)(3). However, where reference is made in  
7 subsection (b)(3) to the allocation area, the reference refers, for  
8 purposes of payments from the special zone fund, only to that part  
9 of the allocation area that is also located in the enterprise zone.

10 (h) The state board of accounts and department of local government  
11 finance shall make the rules and prescribe the forms and procedures  
12 that they consider expedient for the implementation of this chapter.  
13 After each reassessment of real property in an area under a county's  
14 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
15 local government finance shall adjust the base assessed value one (1)  
16 time to neutralize any effect of the reassessment of the real property in  
17 the area on the property tax proceeds allocated to the redevelopment  
18 district under this section. After each annual adjustment **for**  
19 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, 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 redevelopment district under this section.  
23 However, the adjustments under this subsection may not include the  
24 effect of property tax abatements under IC 6-1.1-12.1, and these  
25 adjustments may not produce less property tax proceeds allocable to  
26 the redevelopment district under subsection (b)(3) than would  
27 otherwise have been received if the reassessment under the county's  
28 reassessment plan or annual adjustment **for agricultural land** had not  
29 occurred. The department of local government finance may prescribe  
30 procedures for county and township officials to follow to assist the  
31 department in making the adjustments.

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

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

35 (2) Subject to subdivision (3), the initial allocation deadline and  
36 subsequent allocation deadlines are automatically extended in  
37 increments of five (5) years, so that allocation deadlines  
38 subsequent to the initial allocation deadline fall on December 31,  
39 2016, and December 31 of each fifth year thereafter.

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



- 1 (A) terminates the automatic extension of allocation deadlines  
 2 under subdivision (2); and  
 3 (B) specifically designates a particular date as the final  
 4 allocation deadline.

5 SECTION 20. IC 36-7-30-25, AS AMENDED BY P.L.86-2018,  
 6 SECTION 347, IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JANUARY 1, 2020]: Sec. 25. (a) The following  
 8 definitions apply throughout this section:

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

13 (2) "Base assessed value" means:  
 14 (A) the net assessed value of all the property as finally  
 15 determined for the assessment date immediately preceding the  
 16 adoption date of the allocation provision of the declaratory  
 17 resolution, as adjusted under subsection (h); plus  
 18 (B) to the extent that it is not included in clause (A) or (C), the  
 19 net assessed value of any and all parcels or classes of parcels  
 20 identified as part of the base assessed value in the declaratory  
 21 resolution or an amendment thereto, as finally determined for  
 22 any subsequent assessment date; plus  
 23 (C) to the extent that it is not included in clause (A) or (B), the  
 24 net assessed value of property that is assessed as residential  
 25 property under the rules of the department of local government  
 26 finance, as finally determined for any assessment date after the  
 27 effective date of the allocation provision.

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

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

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



1 allocation provision must require that any property taxes subsequently  
 2 levied by or for the benefit of any public body entitled to a distribution  
 3 of 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 are 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 military base reuse district and, when  
 24 collected, paid into an allocation fund for that allocation area that  
 25 may be used by the military base reuse district and only to do one

26 (1) or more of the following:

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

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

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

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

41 (E) Pay expenses incurred by the reuse authority, any other  
 42 department of the unit, or a department of another



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

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

11 (i) in the allocation area; and

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

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

22 (G) Expend money and provide financial assistance as  
 23 authorized in section 9(a)(25) of this chapter.

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

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

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

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

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



- 1 (ii) state that the reuse authority has determined that there  
 2 are no excess property tax proceeds that may be allocated to  
 3 the respective taxing units in the manner prescribed in  
 4 subdivision (1).  
 5 The county auditor shall allocate to the respective taxing units  
 6 the amount, if any, of excess property tax proceeds determined  
 7 by the reuse authority. The reuse authority may not authorize  
 8 a payment to the respective taxing units under this subdivision  
 9 if to do so would endanger the interest of the holders of bonds  
 10 described in subdivision (3) or lessors under section 19 of this  
 11 chapter.
- 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 a taxing unit after the effective date  
 15 of the allocation provision of the declaratory 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 military base reuse district  
 20 under subsection (b)(3) may, subject to subsection (b)(4), be  
 21 irrevocably pledged by the military base reuse district for payment as  
 22 set forth in subsection (b)(3).
- 23 (e) Notwithstanding any other law, each assessor shall, upon  
 24 petition of the reuse authority, reassess the taxable property situated  
 25 upon or in or added to the allocation area, effective on the next  
 26 assessment 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 the making 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 any 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. The amount sufficient for purposes specified in  
 5 subsection (b)(3) for the year shall be determined based on the pro rata  
 6 part of such current property tax proceeds from the part of the  
 7 enterprise zone that is within the allocation area as compared to all  
 8 such current property tax proceeds derived from the allocation area. A  
 9 unit that does not have obligations, bonds, or leases payable from  
 10 allocated tax proceeds under subsection (b)(3) shall establish a special  
 11 zone fund and deposit all the property tax proceeds in excess of those  
 12 described in subsection (b)(1) and (b)(2) that are derived from property  
 13 in the enterprise zone in the fund. The unit that creates the special zone  
 14 fund shall use the fund (based on the recommendations of the urban  
 15 enterprise association) for programs in job training, job enrichment,  
 16 and basic skill development that are designed to benefit residents and  
 17 employers in the enterprise zone or other purposes specified in  
 18 subsection (b)(3), except that where reference is made in subsection  
 19 (b)(3) to allocation area it shall refer for purposes of payments from the  
 20 special zone fund only to that part of the allocation area that is also  
 21 located in the enterprise zone. The programs shall reserve at least  
 22 one-half (1/2) of their enrollment in any session for residents of the  
 23 enterprise zone.

24 (h) After each reassessment of real property in an area under the  
 25 county's reassessment plan under IC 6-1.1-4-4.2, the department of  
 26 local government finance shall adjust the base assessed value one (1)  
 27 time to neutralize any effect of the reassessment of the real property in  
 28 the area on the property tax proceeds allocated to the military base  
 29 reuse district under this section. After each annual adjustment **for**  
 30 **agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
 31 department of local government finance shall adjust the base assessed  
 32 value to neutralize any effect of the annual adjustment on the property  
 33 tax proceeds allocated to the military base reuse district under this  
 34 section. However, the adjustments under this subsection may not  
 35 include the effect of property tax abatements under IC 6-1.1-12.1, and  
 36 these adjustments may not produce less property tax proceeds allocable  
 37 to the military base reuse district under subsection (b)(3) than would  
 38 otherwise have been received if the reassessment under the county's  
 39 reassessment plan or annual adjustment **for agricultural land** had not  
 40 occurred. The department of local government finance may prescribe  
 41 procedures for county and township officials to follow to assist the  
 42 department in making the adjustments.



1 SECTION 21. IC 36-7-30.5-30, AS AMENDED BY P.L.86-2018,  
 2 SECTION 348, IS AMENDED TO READ AS FOLLOWS  
 3 [EFFECTIVE JANUARY 1, 2020]: Sec. 30. (a) The following  
 4 definitions apply throughout this section:

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

9 (2) "Base assessed value" means:

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

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

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

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

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

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

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



1           or  
 2           (B) the base assessed value;  
 3 shall be allocated to and, when collected, paid into the funds of  
 4 the respective taxing units.  
 5 (2) The excess of the proceeds of the property taxes imposed for  
 6 the assessment date with respect to which the allocation and  
 7 distribution is made that are attributable to taxes imposed after  
 8 being approved by the voters in a referendum or local public  
 9 question conducted after April 30, 2010, not otherwise included  
 10 in subdivision (1) shall be allocated to and, when collected, paid  
 11 into the funds of the taxing unit for which the referendum or local  
 12 public question was conducted.  
 13 (3) Except as otherwise provided in this section, property tax  
 14 proceeds in excess of those described in subdivisions (1) and (2)  
 15 shall be allocated to the development authority and, when  
 16 collected, paid into an allocation fund for that allocation area that  
 17 may be used by the development authority and only to do one (1)  
 18 or more of the following:  
 19           (A) Pay the principal of and interest and redemption premium  
 20 on any obligations incurred by the development authority or  
 21 any other entity for the purpose of financing or refinancing  
 22 military base development or reuse activities in or directly  
 23 serving or benefiting that allocation area.  
 24           (B) Establish, augment, or restore the debt service reserve for  
 25 bonds payable solely or in part from allocated tax proceeds in  
 26 that allocation area or from other revenues of the development  
 27 authority, including lease rental revenues.  
 28           (C) Make payments on leases payable solely or in part from  
 29 allocated tax proceeds in that allocation area.  
 30           (D) Reimburse any other governmental body for expenditures  
 31 made for local public improvements (or structures) in or  
 32 directly serving or benefiting that allocation area.  
 33           (E) For property taxes first due and payable before 2009, pay  
 34 all or a part of a property tax replacement credit to taxpayers  
 35 in an allocation area as determined by the development  
 36 authority. This credit equals the amount determined under the  
 37 following STEPS for each taxpayer in a taxing district (as  
 38 defined in IC 6-1.1-1-20) that contains all or part of the  
 39 allocation area:  
 40           STEP ONE: Determine that part of the sum of the amounts  
 41 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 42 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and



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



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

3 (A) Determine the amount, if any, by which property taxes  
4 payable to the allocation fund in the following year will exceed  
5 the amount of property taxes necessary to make, when due,  
6 principal and interest payments on bonds described in  
7 subdivision (3) plus the amount necessary for other purposes  
8 described in subdivisions (2) and (3).

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

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

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

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

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

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

38 (2) the base assessed value.

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



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

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

- 10 (1) the assessed value of the property as valued without regard to  
11 this section; or  
12 (2) the base assessed value.

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



1 one-half (1/2) of their enrollment in any session for residents of the  
2 enterprise zone.

3 (h) After each reassessment of real property in an area under a  
4 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
5 local government finance shall adjust the base assessed value one (1)  
6 time to neutralize any effect of the reassessment of the real property in  
7 the area on the property tax proceeds allocated to the military base  
8 development district under this section. After each annual adjustment  
9 **for agricultural land** under ~~IC 6-1.1-4-4.5~~, **IC 6-1.1-4-13.2**, the  
10 department of local government finance shall adjust the base assessed  
11 value to neutralize any effect of the annual adjustment on the property  
12 tax proceeds allocated to the military base development district under  
13 this section. However, the adjustments under this subsection may not  
14 include the effect of property tax abatements under IC 6-1.1-12.1, and  
15 these adjustments may not produce less property tax proceeds allocable  
16 to the military base development district under subsection (b)(3) than  
17 would otherwise have been received if the reassessment under the  
18 county's reassessment plan or annual adjustment **for agricultural land**  
19 had not occurred. The department of local government finance may  
20 prescribe procedures for county and township officials to follow to  
21 assist the department in making the adjustments.

22 SECTION 22. IC 36-7-32-19, AS AMENDED BY P.L.86-2018,  
23 SECTION 349, IS AMENDED TO READ AS FOLLOWS  
24 [EFFECTIVE JANUARY 1, 2020]: Sec. 19. (a) The state board of  
25 accounts and department of local government finance shall make the  
26 rules and prescribe the forms and procedures that the state board of  
27 accounts and department of local government finance consider  
28 appropriate for the implementation of an allocation area under this  
29 chapter.

30 (b) After each reassessment of real property in an area under a  
31 reassessment plan prepared under IC 6-1.1-4-4.2, the department of  
32 local government finance shall adjust the base assessed value one (1)  
33 time to neutralize any effect of the reassessment of the real property in  
34 the area on the property tax proceeds allocated to the certified  
35 technology park fund under section 17 of this chapter. After each  
36 annual adjustment **for agricultural land** under ~~IC 6-1.1-4-4.5~~,  
37 **IC 6-1.1-4-13.2**, the department of local government finance shall  
38 adjust the base assessed value to neutralize any effect of the annual  
39 adjustment on the property tax proceeds allocated to the certified  
40 technology park fund under section 17 of this chapter.

