
SENATE BILL No. 322

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.2.

Synopsis: Tax increment financing. Provides for state distributions to tax increment financing (TIF) areas to replace reductions in property tax levies in the areas resulting from action by the general assembly or another entity in state government.

Effective: July 1, 2002.

Wheeler

January 8, 2002, read first time and referred to Committee on Finance.

C
O
P
Y



Second Regular Session 112th General Assembly (2002)

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 2001 General Assembly.

C
o
p
y

SENATE BILL No. 322



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

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

1 SECTION 1. IC 6-1.1-21.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2002]:

4 **Chapter 21.2. Distribution of Tax Increment Replacement**
5 **Amounts**

6 **Sec. 1. This chapter applies to an allocation area established**
7 **before June 30, 2002, in which the governing body determines that**
8 **tax increment revenues in the governing body's current fiscal year**
9 **have been reduced as a result of actions taken by:**

- 10 (1) the general assembly; or
- 11 (2) any agency, department, commission, bureau, or other
- 12 entity of state government;

13 after December 31, 2000.

14 **Sec. 2. As used in this chapter, "allocation area" refers to an**
15 **area that is established under the authority of any of the following**
16 **statutes and in which tax increment revenues are collected:**

- 17 (1) IC 6-1.1-39.



- 1 (2) IC 8-22-3.5.
- 2 (3) IC 36-7-14.
- 3 (4) IC 36-7-14.5.
- 4 (5) IC 36-7-15.1.
- 5 (6) IC 36-7-30.

6 **Sec. 3. As used in this chapter, "base assessed value" means the**
 7 **base assessed value as the term is defined in:**

- 8 (1) IC 6-1.1-39-5(h);
- 9 (2) IC 8-22-3.5-9(a);
- 10 (3) IC 36-7-14-39(a);
- 11 (4) IC 36-7-14-39.3(c);
- 12 (5) IC 36-7-15.1-26(a);
- 13 (6) IC 36-7-15.1-26.2(c);
- 14 (7) IC 36-7-15.1-35(a);
- 15 (8) IC 36-7-15.1-53;
- 16 (9) IC 36-7-15.1-55(c);
- 17 (10) IC 36-7-30-25(a)(2); or
- 18 (11) IC 36-7-30-26(c).

19 **Sec. 4. As used in this chapter, "governing body" means the**
 20 **following:**

- 21 (1) For an allocation area created under IC 6-1.1-39, the fiscal
- 22 body of the county (as defined in IC 36-1-2-6).
- 23 (2) For an allocation area created under IC 8-22-3.5, the
- 24 commission (as defined in IC 8-22-3.5-2).
- 25 (3) For an allocation area created under IC 36-7-14, the
- 26 redevelopment commission of the unit.
- 27 (4) For an allocation area created under IC 36-7-14.5, the
- 28 authority created by the unit.
- 29 (5) For an allocation area created under IC 36-7-15.1, the
- 30 metropolitan development commission of the consolidated
- 31 city.
- 32 (6) For an allocation area created under IC 36-7-30, the
- 33 military base reuse authority.

34 **Sec. 5. As used in this chapter, "property taxes" means:**

- 35 (1) property taxes, as defined in:
- 36 (A) IC 6-1.1-39-5(g);
- 37 (B) IC 36-7-14-39(a);
- 38 (C) IC 36-7-14-39.3(c);
- 39 (D) IC 36-7-15.1-26(a);
- 40 (E) IC 36-7-15.1-26.2(c);
- 41 (F) IC 36-7-15.1-53(a);
- 42 (G) IC 36-7-15.1-55(c);

C
O
P
Y



- 1 (H) IC 36-7-30-25(a)(3); or
 2 (I) IC 36-7-30-26(c); or
 3 (2) for allocation areas created under IC 8-22-3.5, the taxes
 4 assessed on taxable tangible property in the allocation area.
 5 Sec. 6. As used in this chapter, "tax increment replacement
 6 amount" means the tax increment replacement amount certified
 7 under section 9 of this chapter.
 8 Sec. 7. As used in this chapter, "tax increment revenues" means
 9 the property taxes attributable to the assessed value of property in
 10 excess of the base assessed value.
 11 Sec. 8. A tax increment replacement account is established in the
 12 state general fund to make distributions to the governing bodies of
 13 allocation areas under this chapter. The auditor of state shall
 14 administer the tax increment replacement account.
 15 Sec. 9. (a) Before July 15 of a year, the governing body of an
 16 allocation area shall certify the tax increment replacement amount
 17 for each allocation area under the jurisdiction of the governing
 18 body for the next calendar year.
 19 (b) The certification must include:
 20 (1) An estimate of the amount of tax increment revenues the
 21 governing body would have received in the allocation area in
 22 the next calendar year but for actions taken by:
 23 (A) the general assembly; or
 24 (B) any agency, department, commission, bureau, or other
 25 entity of state government;
 26 after December 31, 2000.
 27 (2) An estimate of the tax increment revenues, adjusted for
 28 any increases or decreases in tax increment revenues caused
 29 by factors other than as a result of actions taken by:
 30 (A) the general assembly; or
 31 (B) any agency, department, commission, bureau, or other
 32 entity of state government;
 33 after December 31, 2000, to be received by the governing body
 34 in the allocation area in the next calendar year.
 35 (3) An estimate of tax increment revenues held over from
 36 prior years as a result of any increased tax increment
 37 collections resulting from actions taken by:
 38 (A) the general assembly; or
 39 (B) any agency, department, commission, bureau, or other
 40 entity of state government;
 41 after December 31, 2000.
 42 (c) The governing body shall calculate the tax increment

C
O
P
Y



1 replacement amount, if any, by subtracting the total of the amounts
2 estimated in subsection (b)(2) and (b)(3) from the amount
3 estimated in subsection (b)(1). If the result is a positive number, the
4 governing body shall certify the resulting tax increment
5 replacement amount to the auditor of state.

6 (d) The certified tax increment replacement amount is the
7 governing body's certified distribution for the next calendar year.

8 **Sec. 10. (a)** Each year the auditor of state shall transfer from the
9 state general fund to the tax increment replacement account an
10 amount equal to the total tax increment replacement amounts
11 certified by all governing bodies for that calendar year.

12 (b) Subject to section 11 of this chapter, the auditor of state shall
13 distribute the governing body's certified distribution for the year
14 in approximately equal installments on May 1 and November 1 of
15 each year.

16 (c) The transfers under this section are annually appropriated
17 from the state general fund.

18 (d) The money needed for the distribution shall be withdrawn
19 from the tax increment replacement account. There is
20 appropriated from the state general fund tax increment
21 replacement account, the amount needed to make the distributions
22 required by this section.

23 **Sec. 11. (a)** Except as provided in subsection (b), the auditor of
24 state may not make a distribution under section 10 of this chapter
25 in a year if the governing body has not certified the tax increment
26 replacement amount to the auditor of state in accordance with
27 section 9 of this chapter.

28 (b) The auditor of state shall make a distribution under section
29 10 of this chapter if the auditor of state determines that the failure
30 of the governing body to file its certification is justified by unusual
31 circumstances.

C
O
P
Y

