

Adopted Rejected

COMMITTEE REPORT

YES: 24
NO: 0

MR. SPEAKER:

Your Committee on Ways and Means, to which was referred Senate Bill 239, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, delete lines 1 through 15.
- 2 Delete pages 2 through 19, begin a new paragraph and insert:
- 3 "SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.136-2009,
- 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 4.5. (a) The department
- 6 of local government finance shall adopt rules establishing a system for:
- 7 (1) annually adjusting the assessed value of real property for
- 8 assessment dates that precede 2012; and
- 9 (2) adjusting the assessed value of real property for:
- 10 (A) the assessment date in 2014; and
- 11 (B) the assessment date in every second year after 2014;
- 12 to account for changes in value in those years since a general
- 13 reassessment of property last took effect.
- 14 (b) Subject to subsection (e), the system must be applied to adjust
- 15 assessed values beginning with the 2006 assessment date and each year

1 ~~thereafter that is not in the years designated in subsection (a) other~~
 2 ~~than~~ a year in which a reassessment becomes effective.

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

5 (1) Promote uniform and equal assessment of real property within
 6 and across classifications.

7 (2) Require that assessing officials:

8 (A) reevaluate the factors that affect value;

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

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

12 (D) provide notice to taxpayers of an assessment increase that
 13 results from the application of ~~annual~~ adjustments.

14 (3) Prescribe procedures that permit the application of the
 15 adjustment percentages in an efficient manner by assessing
 16 officials.

17 (d) The department of local government finance must review and
 18 certify each ~~annual~~ adjustment determined under this section.

19 (e) In making the ~~annual~~ determination of the base rate to satisfy the
 20 requirement for an ~~annual~~ adjustment under subsection (a) the
 21 department of local government finance shall determine the base rate
 22 using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of
 23 the department of local government finance's Real Property Assessment
 24 Guidelines (as in effect on January 1, 2005), except that the department
 25 shall adjust the methodology to use a six (6) year rolling average
 26 instead of a four (4) year rolling average.

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

31 **(g) This subsection applies if for an assessment date for which**
 32 **an adjustment is applied under this section the township assessor,**
 33 **or the county assessor if there is no township assessor for the**
 34 **township, proposes to apply in the determination of the assessed**
 35 **value of a parcel that would apply if there were no adjustment**
 36 **under this section any element of assessment methodology that is**
 37 **different from the assessment methodology used in the**
 38 **determination of the assessed value of the parcel for the**

1 **immediately preceding assessment date. The assessor must:**

2 **(1) document the different assessment methodology; and**

3 **(2) quantify:**

4 **(A) the change in the assessed value of the parcel resulting**
5 **from the different assessment methodology; and**

6 **(B) the change in assessed value resulting from the**
7 **adjustment under this section.**

8 SECTION 2. IC 6-1.1-4-4.6, AS ADDED BY P.L.182-2009(ss),
9 SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2010]: Sec. 4.6. (a) If a county assessor fails before July 2 of
11 a particular year **for which an adjustment to the assessed value of**
12 **real property applies under section 4.5 of this chapter** to prepare
13 and deliver to the county auditor a complete detailed list of all of the
14 real property listed for taxation in the county as required by
15 IC 6-1.1-5-14 and at least one hundred eighty (180) days have elapsed
16 after the July 1 deadline specified in IC 6-1.1-5-14 for delivering the
17 list, the department of local government finance may develop ~~annual~~
18 adjustment factors under this section for that year. In developing ~~annual~~
19 adjustment factors under this section, the department of local
20 government finance shall use data in its possession that is obtained
21 from:

22 (1) the county assessor; or

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

26 (b) Using the data described in subsection (a), the department of
27 local government finance shall propose to establish ~~annual~~ adjustment
28 factors for the affected tax districts for one (1) or more of the classes
29 of real property. The proposal may provide for the equalization of
30 ~~annual~~ adjustment factors in the affected township or county and in
31 adjacent areas. The department of local government finance shall issue
32 notice and provide opportunity for hearing in accordance with
33 IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final
34 ~~annual~~ adjustment factors.

35 (c) The ~~annual~~ adjustment factors finally determined by the
36 department of local government finance after the hearing required
37 under subsection (b) apply to the ~~annual~~ adjustment of real property
38 under section 4.5 of this chapter for:

1 (1) the assessment date; and
 2 (2) the real property;
 3 specified in the final determination of the department of local
 4 government finance.

5 SECTION 3. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008,
 6 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2010]: Sec. 16. (a) For purposes of making a general
 8 reassessment of real property or ~~annual~~ adjustments under section 4.5
 9 of this chapter, a township assessor (if any) and a county assessor may
 10 employ:

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

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

21 SECTION 4. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
 22 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2010]: Sec. 27.5. (a) The auditor of each county shall establish
 24 a property reassessment fund. The county treasurer shall deposit all
 25 collections resulting from the property taxes that the county levies for
 26 the county's property reassessment fund.

27 (b) With respect to the general reassessment of real property that is
 28 to commence on July 1, 2009, the county council of each county shall,
 29 for property taxes due in 2006, 2007, 2008, and 2009, levy in each year
 30 against all the taxable property in the county an amount equal to
 31 one-fourth (1/4) of the remainder of:

32 (1) the estimated costs referred to in section 28.5(a) of this
 33 chapter; minus
 34 (2) the amount levied under this section by the county council for
 35 property taxes due in 2004 and 2005.

36 (c) With respect to a general reassessment of real property that is to
 37 commence on July 1, 2014, and each fifth year thereafter, the county
 38 council of each county shall, for property taxes due in the year that the

1 general reassessment is to commence and the four (4) years preceding
 2 that year, levy against all the taxable property in the county an amount
 3 equal to one-fifth (1/5) of the estimated costs of the general
 4 reassessment under section 28.5 of this chapter.

5 (d) The department of local government finance shall give to each
 6 county council notice, before January 1 in a year, of the tax levies
 7 required by this section for that year.

8 (e) The department of local government finance may raise or lower
 9 the property tax levy under this section for a year if the department
 10 determines it is appropriate because the estimated cost of:

11 (1) a general reassessment; or

12 (2) making ~~annual~~ adjustments under section 4.5 of this chapter;
 13 has changed.

14 (f) The county assessor may petition the county fiscal body to
 15 increase the levy under subsection (b) or (c) to pay for the costs of:

16 (1) a general reassessment;

17 (2) verification under 50 IAC 21-3-2 of sales disclosure forms
 18 forwarded to the county assessor under IC 6-1.1-5.5-3; or

19 (3) processing ~~annual~~ adjustments under section 4.5 of this
 20 chapter.

21 The assessor must document the needs and reasons for the increased
 22 funding.

23 (g) If the county fiscal body denies a petition under subsection (f),
 24 the county assessor may appeal to the department of local government
 25 finance. The department of local government finance shall:

26 (1) hear the appeal; and

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

28 SECTION 5. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,
 29 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2010]: Sec. 28.5. (a) Money assigned to a property
 31 reassessment fund under section 27.5 of this chapter may be used only
 32 to pay the costs of:

33 (1) the general reassessment of real property, including the
 34 computerization of assessment records;

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

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

- 1 agency;
- 2 (4) the updating of plat books;
- 3 (5) payments for the salary of permanent staff or for the
- 4 contractual services of temporary staff who are necessary to assist
- 5 assessing officials;
- 6 (6) making ~~annual~~ adjustments under section 4.5 of this chapter;
- 7 and
- 8 (7) the verification under 50 IAC 21-3-2 of sales disclosure forms
- 9 forwarded to:
- 10 (A) the county assessor; or
- 11 (B) township assessors (if any);
- 12 under IC 6-1.1-5.5-3.

13 Money in a property tax reassessment fund may not be transferred or

14 reassigned to any other fund and may not be used for any purposes

15 other than those set forth in this section.

16 (b) All counties shall use modern, detailed soil maps in the general

17 reassessment of agricultural land.

18 (c) The county treasurer of each county shall, in accordance with

19 IC 5-13-9, invest any money accumulated in the property reassessment

20 fund. Any interest received from investment of the money shall be paid

21 into the property reassessment fund.

22 (d) An appropriation under this section must be approved by the

23 fiscal body of the county after the review and recommendation of the

24 county assessor. However, in a county with a township assessor in

25 every township, the county assessor does not review an appropriation

26 under this section, and only the fiscal body must approve an

27 appropriation under this section."

28 Page 20, delete lines 1 through 24.

29 Page 25, delete lines 25 through 42.

30 Delete pages 26 through 51, begin a new paragraph and insert:

31 "SECTION 6. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,

32 SECTION 130, IS AMENDED TO READ AS FOLLOWS

33 [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) For purposes of this section,

34 an increase in the assessed value of real property is determined in the

35 same manner that an increase in the assessed value of real property is

36 determined for purposes of IC 6-1.1-12.1.

37 (b) This subsection applies only to a development, redevelopment,

38 or rehabilitation that is first assessed after March 1, 2005, and before

1 March 2, 2007. Except as provided in subsection (h) and sections 4, 5,
2 and 8 of this chapter, an owner of real property that:

- 3 (1) develops, redevelops, or rehabilitates the real property; and
4 (2) creates or retains employment from the development,
5 redevelopment, or rehabilitation;

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

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

- 13 (1) two million dollars (\$2,000,000); or
14 (2) the product of:
15 (A) the increase in assessed value resulting from the
16 development, rehabilitation, or redevelopment; multiplied by
17 (B) the percentage from the following table:

18 YEAR OF DEDUCTION	PERCENTAGE
19 1st	75%
20 2nd	50%
21 3rd	25%

22 (d) A property owner that qualifies for the deduction under this
23 section must file a notice to claim the deduction in the manner
24 prescribed by the department of local government finance under rules
25 adopted by the department of local government finance under
26 IC 4-22-2 to implement this chapter. The township assessor, or the
27 county assessor if there is no township assessor for the township, shall:

- 28 (1) inform the county auditor of the real property eligible for the
29 deduction as contained in the notice filed by the taxpayer under
30 this subsection; and
31 (2) inform the county auditor of the deduction amount.

32 (e) The county auditor shall:

- 33 (1) make the deductions; and
34 (2) notify the county property tax assessment board of appeals of
35 all deductions approved;

36 under this section.

37 (f) The amount of the deduction determined under subsection (c)(2)
38 is adjusted to reflect the percentage increase or decrease in assessed

1 valuation that results from:

- 2 (1) a general reassessment of real property under IC 6-1.1-4-4; or
 3 (2) an ~~annual~~ adjustment under IC 6-1.1-4-4.5.

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

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

10 SECTION 7. IC 6-1.1-17-5, AS AMENDED BY P.L.182-2009(ss),
 11 SECTION 116, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers of political
 13 subdivisions shall meet each year to fix the budget, tax rate, and tax
 14 levy of their respective subdivisions for the ensuing budget year as
 15 follows:

16 (1) The board of school trustees of a school corporation that is
 17 located in a city having a population of more than one hundred
 18 five thousand (105,000) but less than one hundred twenty
 19 thousand (120,000), not later than:

- 20 (A) the time required in section 5.6(b) of this chapter; or
 21 (B) ~~for budget years beginning before July 1, 2011~~, November
 22 1, if a resolution adopted under section 5.6(d) of this chapter
 23 is in effect.

24 (2) The proper officers of all other political subdivisions **that are**
 25 **not school corporations**, not later than November 1.

26 (3) The governing body of ~~each~~ a school corporation (~~including~~
 27 **(other than a school corporation described in subdivision (1))**
 28 **that elects to adopt a budget under section 5.6 of this chapter**
 29 **for budget years beginning after June 30, 2011**, not later than
 30 the time required under section 5.6(b) of this chapter for budget
 31 years beginning after June 30, 2011.

32 **(4) The governing body of a school corporation that is not**
 33 **described in subdivision (1) or (3), not later than November 1.**

34 Except in a consolidated city and county and in a second class city, the
 35 public hearing required by section 3 of this chapter must be completed
 36 at least ten (10) days before the proper officers of the political
 37 subdivision meet to fix the budget, tax rate, and tax levy. In a
 38 consolidated city and county and in a second class city, that public

1 hearing, by any committee or by the entire fiscal body, may be held at
2 any time after introduction of the budget.

3 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or
4 tax levy of a political subdivision fixed under subsection (a) by filing
5 an objection petition with the proper officers of the political
6 subdivision not more than seven (7) days after the hearing. The
7 objection petition must specifically identify the provisions of the
8 budget, tax rate, and tax levy to which the taxpayers object.

9 (c) If a petition is filed under subsection (b), the fiscal body of the
10 political subdivision shall adopt with its budget a finding concerning
11 the objections in the petition and any testimony presented at the
12 adoption hearing.

13 (d) This subsection does not apply to a school corporation. Each
14 year at least two (2) days before the first meeting of the county board
15 of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall
16 file with the county auditor:

17 (1) a statement of the tax rate and levy fixed by the political
18 subdivision for the ensuing budget year;

19 (2) two (2) copies of the budget adopted by the political
20 subdivision for the ensuing budget year; and

21 (3) two (2) copies of any findings adopted under subsection (c).

22 Each year the county auditor shall present these items to the county
23 board of tax adjustment at the board's first meeting under
24 IC 6-1.1-29-4.

25 (e) In a consolidated city and county and in a second class city, the
26 clerk of the fiscal body shall, notwithstanding subsection (d), file the
27 adopted budget and tax ordinances with the county board of tax
28 adjustment within two (2) days after the ordinances are signed by the
29 executive, or within two (2) days after action is taken by the fiscal body
30 to override a veto of the ordinances, whichever is later.

31 (f) If a fiscal body does not fix the budget, tax rate, and tax levy of
32 the political subdivisions for the ensuing budget year as required under
33 this section, the most recent annual appropriations and annual tax levy
34 are continued for the ensuing budget year.

35 SECTION 8. IC 6-1.1-17-5.6, AS AMENDED BY
36 P.L.182-2009(ss), SECTION 117, IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) For budget
38 years beginning before July 1, 2011, this section applies only to a

1 school corporation that is located in a city having a population of more
 2 than one hundred five thousand (105,000) but less than one hundred
 3 twenty thousand (120,000). For budget years beginning after June 30,
 4 2011, this section applies to all school corporations. Beginning in 2011,
 5 each school corporation ~~shall~~ **may elect to** adopt a budget under this
 6 section that applies from July 1 of the year through June 30 of the
 7 following year. In the initial budget adopted by a school corporation ~~in~~
 8 ~~2011~~ under this section, the first six (6) months of that initial budget
 9 must be consistent with the last six (6) months of the budget adopted
 10 by the school corporation for **the calendar year 2011: in which the**
 11 **school corporation elects by resolution to begin adopting budgets**
 12 **that correspond to the state fiscal year. A school corporation shall**
 13 **submit a copy of the resolution to the department of local**
 14 **government finance and the department of education not more**
 15 **than thirty (30) days after the date the governing body adopts the**
 16 **resolution.**

17 (b) Before February 1 of each year, the officers of the school
 18 corporation shall meet to fix the budget for the school corporation for
 19 the ensuing budget year, with notice given by the same officers.
 20 However, if a resolution adopted under subsection (d) is in effect, the
 21 officers shall meet to fix the budget for the ensuing budget year before
 22 ~~September 30: November 1.~~

23 (c) Each year, at least two (2) days before the first meeting of the
 24 county board of tax adjustment held under IC 6-1.1-29-4, the school
 25 corporation shall file with the county auditor:

- 26 (1) a statement of the tax rate and tax levy fixed by the school
 27 corporation for the ensuing budget year;
- 28 (2) two (2) copies of the budget adopted by the school corporation
 29 for the ensuing budget year; and
- 30 (3) any written notification from the department of local
 31 government finance under section 16(i) of this chapter that
 32 specifies a proposed revision, reduction, or increase in the budget
 33 adopted by the school corporation for the ensuing budget year.

34 Each year the county auditor shall present these items to the county
 35 board of tax adjustment at the board's first meeting under
 36 IC 6-1.1-29-4.

37 (d) ~~This subsection does not apply to budget years after June 30;~~
 38 ~~2011.~~ The governing body of the school corporation may adopt a

1 resolution to cease using a school year budget year and return to using
 2 a calendar year budget year. A resolution adopted under this subsection
 3 must be adopted after January 1 and before July 1. The school
 4 corporation's initial calendar year budget year following the adoption
 5 of a resolution under this subsection begins on January 1 of the year
 6 following the year the resolution is adopted. The first six (6) months of
 7 the initial calendar year budget for the school corporation must be
 8 consistent with the last six (6) months of the final school year budget
 9 fixed by the department of local government finance before the
 10 adoption of a resolution under this subsection. ~~Notwithstanding any~~
 11 ~~resolution adopted under this subsection, beginning in 2011, each~~
 12 ~~school corporation shall adopt a budget under this section that applies~~
 13 ~~from July 1 of the year through June 30 of the following year.~~

14 (e) A resolution adopted under subsection (d) may be rescinded by
 15 a subsequent resolution adopted by the governing body. If the
 16 governing body of the school corporation rescinds a resolution adopted
 17 under subsection (d) and returns to a school year budget year, the
 18 school corporation's initial school year budget year begins on July 1
 19 following the adoption of the rescinding resolution and ends on June
 20 30 of the following year. The first six (6) months of the initial school
 21 year budget for the school corporation must be consistent with the last
 22 six (6) months of the last calendar year budget fixed by the department
 23 of local government finance before the adoption of a rescinding
 24 resolution under this subsection.

25 SECTION 9. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
 26 SECTION 168, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2010]: 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

- 1 under IC 6-1.1-4-4.5; or
2 (2) a general reassessment of real property under IC 6-1.1-4-4.
3 (d) The statutes to which subsection (a) refers are:
4 (1) IC 8-10-5-17;
5 (2) IC 8-22-3-11;
6 (3) IC 8-22-3-25;
7 (4) IC 12-29-1-1;
8 (5) IC 12-29-1-2;
9 (6) IC 12-29-1-3;
10 (7) IC 12-29-3-6;
11 (8) IC 13-21-3-12;
12 (9) IC 13-21-3-15;
13 (10) IC 14-27-6-30;
14 (11) IC 14-33-7-3;
15 (12) IC 14-33-21-5;
16 (13) IC 15-14-7-4;
17 (14) IC 15-14-9-1;
18 (15) IC 15-14-9-2;
19 (16) IC 16-20-2-18;
20 (17) IC 16-20-4-27;
21 (18) IC 16-20-7-2;
22 (19) IC 16-22-14;
23 (20) IC 16-23-1-29;
24 (21) IC 16-23-3-6;
25 (22) IC 16-23-4-2;
26 (23) IC 16-23-5-6;
27 (24) IC 16-23-7-2;
28 (25) IC 16-23-8-2;
29 (26) IC 16-23-9-2;
30 (27) IC 16-41-15-5;
31 (28) IC 16-41-33-4;
32 (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
33 (30) IC 20-46-6-5;
34 (31) IC 20-49-2-10;
35 (32) IC 36-1-19-1;
36 (33) IC 23-14-66-2;
37 (34) IC 23-14-67-3;
38 (35) IC 36-7-13-4;

- 1 (36) IC 36-7-14-28;
- 2 (37) IC 36-7-15.1-16;
- 3 (38) IC 36-8-19-8.5;
- 4 (39) IC 36-9-6.1-2;
- 5 (40) IC 36-9-17.5-4;
- 6 (41) IC 36-9-27-73;
- 7 (42) IC 36-9-29-31;
- 8 (43) IC 36-9-29.1-15;
- 9 (44) IC 36-10-6-2;
- 10 (45) IC 36-10-7-7;
- 11 (46) IC 36-10-7-8;
- 12 (47) IC 36-10-7.5-19;
- 13 (48) IC 36-10-13-5;
- 14 (49) IC 36-10-13-7;
- 15 (50) IC 36-10-14-4;
- 16 (51) IC 36-12-7-7;
- 17 (52) IC 36-12-7-8;
- 18 (53) IC 36-12-12-10; and
- 19 (54) any statute enacted after December 31, 2003, that:
 - 20 (A) establishes a maximum rate for any part of the:
 - 21 (i) property taxes; or
 - 22 (ii) special benefits taxes;
 - 23 imposed by a political subdivision; and
 - 24 (B) does not exempt the maximum rate from the adjustment
 - 25 under this section.
- 26 (e) The new maximum rate under a statute listed in subsection (d)
- 27 is the tax rate determined under STEP SEVEN of the following STEPS:
- 28 STEP ONE: Determine the maximum rate for the political
- 29 subdivision levying a property tax or special benefits tax under
- 30 the statute for the year preceding the year in which the ~~annual~~
- 31 adjustment or general reassessment takes effect.
- 32 STEP TWO: Determine the actual percentage increase (rounded
- 33 to the nearest one-hundredth percent (0.01%)) in the assessed
- 34 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
- 35 taxable property from the year preceding the year the ~~annual~~
- 36 adjustment or general reassessment takes effect to the year that
- 37 the ~~annual~~ adjustment or general reassessment takes effect.
- 38 STEP THREE: Determine the three (3) calendar years that

1 immediately precede the ensuing calendar year and in which a
 2 statewide general reassessment of real property does not first take
 3 effect.

4 STEP FOUR: Compute separately, for each of the calendar years
 5 determined in STEP THREE, the actual percentage increase
 6 (rounded to the nearest one-hundredth percent (0.01%)) in the
 7 assessed value (before the adjustment, if any, under
 8 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

9 STEP FIVE: Divide the sum of the three (3) quotients computed
 10 in STEP FOUR by three (3).

11 STEP SIX: Determine the greater of the following:

12 (A) Zero (0).

13 (B) The result of the STEP TWO percentage minus the STEP
 14 FIVE percentage.

15 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 16 divided by the sum of one (1) plus the STEP SIX percentage
 17 increase.

18 (f) The department of local government finance shall compute the
 19 maximum rate allowed under subsection (e) and provide the rate to
 20 each political subdivision with authority to levy a tax under a statute
 21 listed in subsection (d).

22 SECTION 10. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
 23 SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2010]: Sec. 13. (a) The maximum property tax rate levied
 25 under IC 20-46-6 by each school corporation for the school
 26 corporation's capital projects fund must be adjusted each year to
 27 account for the change in assessed value of real property that results
 28 from:

29 (1) an ~~annual~~ adjustment of the assessed value of real property
 30 under IC 6-1.1-4-4.5; or

31 (2) a general reassessment of real property under IC 6-1.1-4-4.

32 (b) The new maximum rate under this section is the tax rate
 33 determined under STEP SEVEN of the following formula:

34 STEP ONE: Determine the maximum rate for the school
 35 corporation for the year preceding the year in which the ~~annual~~
 36 adjustment or general reassessment takes effect.

37 STEP TWO: Determine the actual percentage increase (rounded
 38 to the nearest one-hundredth percent (0.01%)) in the assessed

1 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
 2 taxable property from the year preceding the year the ~~annual~~
 3 adjustment or general reassessment takes effect to the year that
 4 the ~~annual~~ adjustment or general reassessment is effective.

5 STEP THREE: Determine the three (3) calendar years that
 6 immediately precede the ensuing calendar year and in which a
 7 statewide general reassessment of real property does not first
 8 become effective.

9 STEP FOUR: Compute separately, for each of the calendar years
 10 determined in STEP THREE, the actual percentage increase
 11 (rounded to the nearest one-hundredth percent (0.01%)) in the
 12 assessed value (before the adjustment, if any, under
 13 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

14 STEP FIVE: Divide the sum of the three (3) quotients computed
 15 in STEP FOUR by three (3).

16 STEP SIX: Determine the greater of the following:

17 (A) Zero (0).

18 (B) The result of the STEP TWO percentage minus the STEP
 19 FIVE percentage.

20 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
 21 divided by the sum of one (1) plus the STEP SIX percentage
 22 increase.

23 (c) The department of local government finance shall compute the
 24 maximum rate allowed under subsection (b) and provide the rate to
 25 each school corporation.

26 SECTION 11. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,
 27 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2010]: Sec. 1. As used in this chapter:

29 "Ad valorem property tax levy for an ensuing calendar year" means
 30 the total property taxes imposed by a civil taxing unit for current
 31 property taxes collectible in that ensuing calendar year.

32 "Adopting county" means any county in which the county adjusted
 33 gross income tax is in effect.

34 "Civil taxing unit" means any taxing unit except a school
 35 corporation.

36 "Maximum permissible ad valorem property tax levy for the
 37 preceding calendar year" means the greater of:

38 (1) the remainder of:

- 1 (A) the civil taxing unit's maximum permissible ad valorem
- 2 property tax levy for the calendar year immediately preceding
- 3 the ensuing calendar year, as that levy was determined under
- 4 section 3 of this chapter; minus
- 5 (B) one-half (1/2) of the remainder of:
- 6 (i) the civil taxing unit's maximum permissible ad valorem
- 7 property tax levy referred to in clause (A); minus
- 8 (ii) the civil taxing unit's ad valorem property tax levy for
- 9 the calendar year immediately preceding the ensuing
- 10 calendar year referred to in subdivision (2); or
- 11 (2) the civil taxing unit's ad valorem property tax levy for the
- 12 calendar year immediately preceding the ensuing calendar year,
- 13 as that levy was determined by the department of local
- 14 government finance in fixing the civil taxing unit's budget, levy,
- 15 and rate for that preceding calendar year under IC 6-1.1-17, and
- 16 after eliminating the effects of temporary excessive levy appeals
- 17 and temporary adjustments made to the working maximum levy
- 18 for the calendar year immediately preceding the ensuing calendar
- 19 year, as determined by the department of local government
- 20 finance.

21 "Taxable property" means all tangible property that is subject to the
 22 tax imposed by this article and is not exempt from the tax under
 23 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this
 24 chapter, the term "taxable property" is further defined in section 6 of
 25 this chapter.

26 ~~"Unadjusted assessed value" means the assessed value of a civil~~
 27 ~~taxing unit as determined by local assessing officials and the~~
 28 ~~department of local government finance in a particular calendar year~~
 29 ~~before the application of an annual adjustment under IC 6-1.1-4-4.5 for~~
 30 ~~that particular calendar year or any calendar year since the last general~~
 31 ~~reassessment preceding the particular calendar year.~~

32 SECTION 12. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,
 33 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2010]: Sec. 9.8. (a) For purposes of determining the property
 35 tax levy limit imposed on a city, town, or county under section 3 of this
 36 chapter, the city, town, or county's ad valorem property tax levy for a
 37 particular calendar year does not include an amount equal to the lesser
 38 of:

- 1 (1) the amount of ad valorem property taxes that would be first
- 2 due and payable to the city, town, or county during the ensuing
- 3 calendar year if the taxing unit imposed the maximum permissible
- 4 property tax rate per one hundred dollars (\$100) of assessed
- 5 valuation that the civil taxing unit may impose for the particular
- 6 calendar year under the authority of IC 36-9-14.5 (in the case of
- 7 a county) or IC 36-9-15.5 (in the case of a city or town); or
- 8 (2) the excess, if any, of:
 - 9 (A) the property taxes imposed by the city, town, or county
 - 10 under the authority of:
 - 11 IC 3-11-6-9;
 - 12 IC 8-16-3;
 - 13 IC 8-16-3.1;
 - 14 IC 8-22-3-25;
 - 15 IC 14-27-6-48;
 - 16 IC 14-33-9-3;
 - 17 IC 16-22-8-41;
 - 18 IC 16-22-5-2 through IC 16-22-5-15;
 - 19 IC 16-23-1-40;
 - 20 IC 36-8-14;
 - 21 IC 36-9-4-48;
 - 22 IC 36-9-14;
 - 23 IC 36-9-14.5;
 - 24 IC 36-9-15;
 - 25 IC 36-9-15.5;
 - 26 IC 36-9-16;
 - 27 IC 36-9-16.5;
 - 28 IC 36-9-17;
 - 29 IC 36-9-26;
 - 30 IC 36-9-27-100;
 - 31 IC 36-10-3-21; or
 - 32 IC 36-10-4-36;
 - 33 that are first due and payable during the ensuing calendar year;
 - 34 over
 - 35 (B) the property taxes imposed by the city, town, or county
 - 36 under the authority of the citations listed in clause (A) that
 - 37 were first due and payable during calendar year 1984.
- 38 (b) The maximum property tax rate levied under the statutes listed

1 in subsection (a) must be adjusted each year to account for the change
2 in assessed value of real property that results from:

3 (1) an ~~annual~~ adjustment of the assessed value of real property
4 under IC 6-1.1-4-4.5; or

5 (2) a general reassessment of real property under IC 6-1.1-4-4.

6 (c) The new maximum rate under a statute listed in subsection (a)
7 is the tax rate determined under STEP SEVEN of the following
8 formula:

9 STEP ONE: Determine the maximum rate for the political
10 subdivision levying a property tax under the statute for the year
11 preceding the year in which the ~~annual~~ adjustment or general
12 reassessment takes effect.

13 STEP TWO: Determine the actual percentage increase (rounded
14 to the nearest one-hundredth percent (0.01%)) in the assessed
15 value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
16 taxable property from the year preceding the year the ~~annual~~
17 adjustment or general reassessment takes effect to the year that
18 the ~~annual~~ adjustment or general reassessment is effective.

19 STEP THREE: Determine the three (3) calendar years that
20 immediately precede the ensuing calendar year and in which a
21 statewide general reassessment of real property does not first
22 become effective.

23 STEP FOUR: Compute separately, for each of the calendar years
24 determined in STEP THREE, the actual percentage increase
25 (rounded to the nearest one-hundredth percent (0.01%)) in the
26 assessed value (before the adjustment, if any, under
27 IC 6-1.1-4-4.5) of the taxable property from the preceding year.

28 STEP FIVE: Divide the sum of the three (3) quotients computed
29 in STEP FOUR by three (3).

30 STEP SIX: Determine the greater of the following:

31 (A) Zero (0).

32 (B) The result of the STEP TWO percentage minus the STEP
33 FIVE percentage.

34 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
35 divided by the sum of one (1) plus the STEP SIX percentage
36 increase.

37 (d) The department of local government finance shall compute the
38 maximum rate allowed under subsection (c) and provide the rate to

1 each political subdivision with authority to levy a tax under a statute
2 listed in subsection (a).

3 SECTION 13. IC 6-1.1-18.5-13, AS AMENDED BY
4 P.L.182-2009(ss), SECTION 131, IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 13. With respect to an
6 appeal filed under section 12 of this chapter, the department may find
7 that a civil taxing unit should receive any one (1) or more of the
8 following types of relief:

9 (1) Permission to the civil taxing unit to increase its levy in excess
10 of the limitations established under section 3 of this chapter, if in
11 the judgment of the department the increase is reasonably
12 necessary due to increased costs of the civil taxing unit resulting
13 from annexation, consolidation, or other extensions of
14 governmental services by the civil taxing unit to additional
15 geographic areas or persons. With respect to annexation,
16 consolidation, or other extensions of governmental services in a
17 calendar year, if those increased costs are incurred by the civil
18 taxing unit in that calendar year and more than one (1)
19 immediately succeeding calendar year, the unit may appeal under
20 section 12 of this chapter for permission to increase its levy under
21 this subdivision based on those increased costs in any of the
22 following:

- 23 (A) The first calendar year in which those costs are incurred.
- 24 (B) One (1) or more of the immediately succeeding four (4)
25 calendar years.

26 (2) A levy increase may not be granted under this subdivision for
27 property taxes first due and payable after December 31, 2008.
28 Permission to the civil taxing unit to increase its levy in excess of
29 the limitations established under section 3 of this chapter, if the
30 local government tax control board finds that the civil taxing unit
31 needs the increase to meet the civil taxing unit's share of the costs
32 of operating a court established by statute enacted after December
33 31, 1973. Before recommending such an increase, the local
34 government tax control board shall consider all other revenues
35 available to the civil taxing unit that could be applied for that
36 purpose. The maximum aggregate levy increases that the local
37 government tax control board may recommend for a particular
38 court equals the civil taxing unit's estimate of the unit's share of

1 the costs of operating a court for the first full calendar year in
 2 which it is in existence. For purposes of this subdivision, costs of
 3 operating a court include:

4 (A) the cost of personal services (including fringe benefits);

5 (B) the cost of supplies; and

6 (C) any other cost directly related to the operation of the court.

7 (3) Permission to the civil taxing unit to increase its levy in excess
 8 of the limitations established under section 3 of this chapter, if the
 9 department finds that the quotient determined under STEP SIX of
 10 the following formula is equal to or greater than one and
 11 two-hundredths (1.02):

12 STEP ONE: Determine the three (3) calendar years that most
 13 immediately precede the ensuing calendar year and in which
 14 a statewide general reassessment of real property or the initial
 15 ~~annual~~ adjustment of the assessed value of real property under
 16 IC 6-1.1-4-4.5 does not first become effective.

17 STEP TWO: Compute separately, for each of the calendar
 18 years determined in STEP ONE, the quotient (rounded to the
 19 nearest ten-thousandth (0.0001)) of the sum of the civil taxing
 20 unit's total assessed value of all taxable property and:

21 (i) for a particular calendar year before 2007, the total
 22 assessed value of property tax deductions in the unit under
 23 IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar
 24 year; or

25 (ii) for a particular calendar year after 2006, the total
 26 assessed value of property tax deductions that applied in the
 27 unit under IC 6-1.1-12-42 in 2006 plus for a particular
 28 calendar year after 2009, the total assessed value of property
 29 tax deductions that applied in the unit under
 30 IC 6-1.1-12-37.5 in 2008;

31 divided by the sum determined under this STEP for the
 32 calendar year immediately preceding the particular calendar
 33 year.

34 STEP THREE: Divide the sum of the three (3) quotients
 35 computed in STEP TWO by three (3).

36 STEP FOUR: Compute separately, for each of the calendar
 37 years determined in STEP ONE, the quotient (rounded to the
 38 nearest ten-thousandth (0.0001)) of the sum of the total

1 assessed value of all taxable property in all counties and:
2 (i) for a particular calendar year before 2007, the total
3 assessed value of property tax deductions in all counties
4 under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular
5 calendar year; or
6 (ii) for a particular calendar year after 2006, the total
7 assessed value of property tax deductions that applied in all
8 counties under IC 6-1.1-12-42 in 2006 plus for a particular
9 calendar year after 2009, the total assessed value of property
10 tax deductions that applied in the unit under
11 IC 6-1.1-12-37.5 in 2008;
12 divided by the sum determined under this STEP for the
13 calendar year immediately preceding the particular calendar
14 year.
15 STEP FIVE: Divide the sum of the three (3) quotients
16 computed in STEP FOUR by three (3).
17 STEP SIX: Divide the STEP THREE amount by the STEP
18 FIVE amount.
19 The civil taxing unit may increase its levy by a percentage not
20 greater than the percentage by which the STEP THREE amount
21 exceeds the percentage by which the civil taxing unit may
22 increase its levy under section 3 of this chapter based on the
23 assessed value growth quotient determined under section 2 of this
24 chapter.
25 (4) A levy increase may not be granted under this subdivision for
26 property taxes first due and payable after December 31, 2008.
27 Permission to the civil taxing unit to increase its levy in excess of
28 the limitations established under section 3 of this chapter, if the
29 local government tax control board finds that the civil taxing unit
30 needs the increase to pay the costs of furnishing fire protection for
31 the civil taxing unit through a volunteer fire department. For
32 purposes of determining a township's need for an increased levy,
33 the local government tax control board shall not consider the
34 amount of money borrowed under IC 36-6-6-14 during the
35 immediately preceding calendar year. However, any increase in
36 the amount of the civil taxing unit's levy recommended by the
37 local government tax control board under this subdivision for the
38 ensuing calendar year may not exceed the lesser of:

- 1 (A) ten thousand dollars (\$10,000); or
- 2 (B) twenty percent (20%) of:
 - 3 (i) the amount authorized for operating expenses of a
 - 4 volunteer fire department in the budget of the civil taxing
 - 5 unit for the immediately preceding calendar year; plus
 - 6 (ii) the amount of any additional appropriations authorized
 - 7 during that calendar year for the civil taxing unit's use in
 - 8 paying operating expenses of a volunteer fire department
 - 9 under this chapter; minus
 - 10 (iii) the amount of money borrowed under IC 36-6-6-14
 - 11 during that calendar year for the civil taxing unit's use in
 - 12 paying operating expenses of a volunteer fire department.
- 13 (5) A levy increase may not be granted under this subdivision for
- 14 property taxes first due and payable after December 31, 2008.
- 15 Permission to a civil taxing unit to increase its levy in excess of
- 16 the limitations established under section 3 of this chapter in order
- 17 to raise revenues for pension payments and contributions the civil
- 18 taxing unit is required to make under IC 36-8. The maximum
- 19 increase in a civil taxing unit's levy that may be recommended
- 20 under this subdivision for an ensuing calendar year equals the
- 21 amount, if any, by which the pension payments and contributions
- 22 the civil taxing unit is required to make under IC 36-8 during the
- 23 ensuing calendar year exceeds the product of one and one-tenth
- 24 (1.1) multiplied by the pension payments and contributions made
- 25 by the civil taxing unit under IC 36-8 during the calendar year that
- 26 immediately precedes the ensuing calendar year. For purposes of
- 27 this subdivision, "pension payments and contributions made by a
- 28 civil taxing unit" does not include that part of the payments or
- 29 contributions that are funded by distributions made to a civil
- 30 taxing unit by the state.
- 31 (6) A levy increase may not be granted under this subdivision for
- 32 property taxes first due and payable after December 31, 2008.
- 33 Permission to increase its levy in excess of the limitations
- 34 established under section 3 of this chapter if the local government
- 35 tax control board finds that:
 - 36 (A) the township's township assistance ad valorem property
 - 37 tax rate is less than one and sixty-seven hundredths cents
 - 38 (\$0.0167) per one hundred dollars (\$100) of assessed

1 valuation; and

2 (B) the township needs the increase to meet the costs of

3 providing township assistance under IC 12-20 and IC 12-30-4.

4 The maximum increase that the board may recommend for a

5 township is the levy that would result from an increase in the

6 township's township assistance ad valorem property tax rate of

7 one and sixty-seven hundredths cents (\$0.0167) per one hundred

8 dollars (\$100) of assessed valuation minus the township's ad

9 valorem property tax rate per one hundred dollars (\$100) of

10 assessed valuation before the increase.

11 (7) A levy increase may not be granted under this subdivision for

12 property taxes first due and payable after December 31, 2008.

13 Permission to a civil taxing unit to increase its levy in excess of

14 the limitations established under section 3 of this chapter if:

15 (A) the increase has been approved by the legislative body of

16 the municipality with the largest population where the civil

17 taxing unit provides public transportation services; and

18 (B) the local government tax control board finds that the civil

19 taxing unit needs the increase to provide adequate public

20 transportation services.

21 The local government tax control board shall consider tax rates

22 and levies in civil taxing units of comparable population, and the

23 effect (if any) of a loss of federal or other funds to the civil taxing

24 unit that might have been used for public transportation purposes.

25 However, the increase that the board may recommend under this

26 subdivision for a civil taxing unit may not exceed the revenue that

27 would be raised by the civil taxing unit based on a property tax

28 rate of one cent (\$0.01) per one hundred dollars (\$100) of

29 assessed valuation.

30 (8) A levy increase may not be granted under this subdivision for

31 property taxes first due and payable after December 31, 2008.

32 Permission to a civil taxing unit to increase the unit's levy in

33 excess of the limitations established under section 3 of this

34 chapter if the local government tax control board finds that:

35 (A) the civil taxing unit is:

36 (i) a county having a population of more than one hundred

37 forty-eight thousand (148,000) but less than one hundred

38 seventy thousand (170,000);

- 1 (ii) a city having a population of more than fifty-five
 2 thousand (55,000) but less than fifty-nine thousand (59,000);
 3 (iii) a city having a population of more than twenty-eight
 4 thousand seven hundred (28,700) but less than twenty-nine
 5 thousand (29,000);
 6 (iv) a city having a population of more than fifteen thousand
 7 four hundred (15,400) but less than sixteen thousand six
 8 hundred (16,600); or
 9 (v) a city having a population of more than seven thousand
 10 (7,000) but less than seven thousand three hundred (7,300);
 11 and

12 (B) the increase is necessary to provide funding to undertake
 13 removal (as defined in IC 13-11-2-187) and remedial action
 14 (as defined in IC 13-11-2-185) relating to hazardous
 15 substances (as defined in IC 13-11-2-98) in solid waste
 16 disposal facilities or industrial sites in the civil taxing unit that
 17 have become a menace to the public health and welfare.

18 The maximum increase that the local government tax control
 19 board may recommend for such a civil taxing unit is the levy that
 20 would result from a property tax rate of six and sixty-seven
 21 hundredths cents (\$0.0667) for each one hundred dollars (\$100)
 22 of assessed valuation. For purposes of computing the ad valorem
 23 property tax levy limit imposed on a civil taxing unit under
 24 section 3 of this chapter, the civil taxing unit's ad valorem
 25 property tax levy for a particular year does not include that part of
 26 the levy imposed under this subdivision. In addition, a property
 27 tax increase permitted under this subdivision may be imposed for
 28 only two (2) calendar years.

29 (9) A levy increase may not be granted under this subdivision for
 30 property taxes first due and payable after December 31, 2008.
 31 Permission for a county:

32 (A) having a population of more than eighty thousand (80,000)
 33 but less than ninety thousand (90,000) to increase the county's
 34 levy in excess of the limitations established under section 3 of
 35 this chapter, if the local government tax control board finds
 36 that the county needs the increase to meet the county's share of
 37 the costs of operating a jail or juvenile detention center,
 38 including expansion of the facility, if the jail or juvenile

- 1 detention center is opened after December 31, 1991;
 2 (B) that operates a county jail or juvenile detention center that
 3 is subject to an order that:
 4 (i) was issued by a federal district court; and
 5 (ii) has not been terminated;
 6 (C) that operates a county jail that fails to meet:
 7 (i) American Correctional Association Jail Construction
 8 Standards; and
 9 (ii) Indiana jail operation standards adopted by the
 10 department of correction; or
 11 (D) that operates a juvenile detention center that fails to meet
 12 standards equivalent to the standards described in clause (C)
 13 for the operation of juvenile detention centers.

14 Before recommending an increase, the local government tax
 15 control board shall consider all other revenues available to the
 16 county that could be applied for that purpose. An appeal for
 17 operating funds for a jail or a juvenile detention center shall be
 18 considered individually, if a jail and juvenile detention center are
 19 both opened in one (1) county. The maximum aggregate levy
 20 increases that the local government tax control board may
 21 recommend for a county equals the county's share of the costs of
 22 operating the jail or a juvenile detention center for the first full
 23 calendar year in which the jail or juvenile detention center is in
 24 operation.

25 (10) A levy increase may not be granted under this subdivision for
 26 property taxes first due and payable after December 31, 2008.
 27 Permission for a township to increase its levy in excess of the
 28 limitations established under section 3 of this chapter, if the local
 29 government tax control board finds that the township needs the
 30 increase so that the property tax rate to pay the costs of furnishing
 31 fire protection for a township, or a portion of a township, enables
 32 the township to pay a fair and reasonable amount under a contract
 33 with the municipality that is furnishing the fire protection.
 34 However, for the first time an appeal is granted the resulting rate
 35 increase may not exceed fifty percent (50%) of the difference
 36 between the rate imposed for fire protection within the
 37 municipality that is providing the fire protection to the township
 38 and the township's rate. A township is required to appeal a second

1 time for an increase under this subdivision if the township wants
 2 to further increase its rate. However, a township's rate may be
 3 increased to equal but may not exceed the rate that is used by the
 4 municipality. More than one (1) township served by the same
 5 municipality may use this appeal.

6 (11) A levy increase may not be granted under this subdivision for
 7 property taxes first due and payable after December 31, 2008.
 8 Permission for a township to increase its levy in excess of the
 9 limitations established under section 3 of this chapter, if the local
 10 government tax control board finds that the township has been
 11 required, for the three (3) consecutive years preceding the year for
 12 which the appeal under this subdivision is to become effective, to
 13 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 14 township or a part of the township. However, the maximum
 15 increase in a township's levy that may be allowed under this
 16 subdivision is the least of the amounts borrowed under
 17 IC 36-6-6-14 during the preceding three (3) calendar years. A
 18 township may elect to phase in an approved increase in its levy
 19 under this subdivision over a period not to exceed three (3) years.
 20 A particular township may appeal to increase its levy under this
 21 section not more frequently than every fourth calendar year.

22 (12) Permission to a city having a population of more than
 23 twenty-nine thousand (29,000) but less than thirty-one thousand
 24 (31,000) to increase its levy in excess of the limitations
 25 established under section 3 of this chapter if:

26 (A) an appeal was granted to the city under this section to
 27 reallocate property tax replacement credits under IC 6-3.5-1.1
 28 in 1998, 1999, and 2000; and

29 (B) the increase has been approved by the legislative body of
 30 the city, and the legislative body of the city has by resolution
 31 determined that the increase is necessary to pay normal
 32 operating expenses.

33 The maximum amount of the increase is equal to the amount of
 34 property tax replacement credits under IC 6-3.5-1.1 that the city
 35 petitioned under this section to have reallocated in 2001 for a
 36 purpose other than property tax relief.

37 (13) A levy increase may be granted under this subdivision only
 38 for property taxes first due and payable after December 31, 2008.

1 Permission to a civil taxing unit to increase its levy in excess of
 2 the limitations established under section 3 of this chapter if the
 3 civil taxing unit cannot carry out its governmental functions for
 4 an ensuing calendar year under the levy limitations imposed by
 5 section 3 of this chapter due to a natural disaster, an accident, or
 6 another unanticipated emergency."

7 Page 52, delete lines 1 through 38.

8 Page 70, delete lines 26 through 42, begin a new paragraph and
 9 insert:

10 "SECTION 17. IC 6-1.1-30-14, AS AMENDED BY P.L.219-2007,
 11 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2010]: Sec. 14. The department of local government finance:

- 13 (1) shall see that the property taxes due this state are collected;
 14 (2) shall see that the penalties prescribed under this article are
 15 enforced;
 16 (3) shall investigate the property tax laws and systems of other
 17 states and countries;
 18 (4) for assessment dates after December 31, 2008, shall conduct
 19 all ratio studies required for:
 20 (A) equalization under 50 IAC 14; and
 21 (B) ~~annual~~ adjustments under 50 IAC 21; and
 22 (5) may recommend changes in this state's property tax laws to the
 23 general assembly.

24 SECTION 18. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
 25 SECTION 296, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2010]: Sec. 5. (a) A declaratory ordinance
 27 adopted under section 2 of this chapter and confirmed under section 3
 28 of this chapter must include a provision with respect to the allocation
 29 and distribution of property taxes for the purposes and in the manner
 30 provided in this section. The allocation provision must apply to the
 31 entire economic development district. The allocation provisions must
 32 require that any property taxes subsequently levied by or for the benefit
 33 of any public body entitled to a distribution of property taxes on taxable
 34 property in the economic development district be allocated and
 35 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

1 with respect to which the allocation and distribution is made;
2 or
3 (B) the base assessed value;
4 shall be allocated to and, when collected, paid into the funds of
5 the respective taxing units. However, if the effective date of the
6 allocation provision of a declaratory ordinance is after March 1,
7 1985, and before January 1, 1986, and if an improvement to
8 property was partially completed on March 1, 1985, the unit may
9 provide in the declaratory ordinance that the taxes attributable to
10 the assessed value of the property as finally determined for March
11 1, 1984, shall be allocated to and, when collected, paid into the
12 funds of the respective taxing units.

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

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

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

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

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

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

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

11 (e) Notwithstanding any other law, the assessed value of all taxable
 12 property in the economic development district, for purposes of tax
 13 limitation, property tax replacement, and formulation of the budget, tax
 14 rate, and tax levy for each political subdivision in which the property
 15 is located, is the 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 (f) The state board of accounts and department of local government
 20 finance shall make the rules and prescribe the forms and procedures
 21 that they consider expedient for the implementation of this chapter.
 22 After each general reassessment under IC 6-1.1-4, the department of
 23 local government finance shall adjust the base assessed value one (1)
 24 time to neutralize any effect of the general reassessment on the
 25 property tax proceeds allocated to the district under this section. After
 26 each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the department of local
 27 government finance shall adjust the base assessed value to neutralize
 28 any effect of the ~~annual~~ adjustment on the property tax proceeds
 29 allocated to the district under this section. However, the adjustments
 30 under this subsection may not include the effect of property tax
 31 abatements under IC 6-1.1-12.1.

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

- 33 (1) taxes imposed under this article on real property; and
- 34 (2) any part of the taxes imposed under this article on depreciable
 35 personal property that the unit has by ordinance allocated to the
 36 economic development district. However, the ordinance may not
 37 limit the allocation to taxes on depreciable personal property with
 38 any particular useful life or lives.

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

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

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

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

16 Subdivision (2) applies only to economic development districts
 17 established after June 30, 1997, and to additional areas established
 18 after June 30, 1997."

19 Delete pages 71 through 78.

20 Page 79, delete lines 1 through 6.

21 Page 80, delete lines 8 through 26, begin a new paragraph and
 22 insert:

23 "SECTION 19. IC 6-7-1-31.1 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31.1. (a) The fiscal
 25 body of each city and the fiscal body of each town shall, by ordinance
 26 or resolution, establish a cumulative capital improvement fund for the
 27 city or town. Except as otherwise provided in subsection (c), the city or
 28 town may only use money in its cumulative capital improvement fund:
 29 to:

30 (1) **to** purchase land, easements, or rights-of-way;

31 (2) **to** purchase buildings;

32 (3) **to** construct or improve city owned property;

33 (4) **to** design, develop, purchase, lease, upgrade, maintain, or
 34 repair:

35 (A) computer hardware;

36 (B) computer software;

37 (C) wiring and computer networks; and

38 (D) communications access systems used to connect with

- 1 computer networks or electronic gateways;
- 2 (5) to pay for the services of full-time or part-time computer
- 3 maintenance employees;
- 4 (6) to conduct nonrecurring in-service technology training of unit
- 5 employees;
- 6 (7) to undertake Internet application development; or
- 7 (8) to retire general obligation bonds issued by the city or town
- 8 for one (1) of the purposes stated in subdivision (1), (2), (3), (4),
- 9 (5), or (6); or
- 10 **(9) for any other governmental purpose for which money is**
- 11 **appropriated by the fiscal body of the city or town.**

12 (b) The money in the city's or town's cumulative capital
 13 improvement fund does not revert to its general fund.

14 (c) A city or town may at any time, by ordinance or resolution,
 15 transfer to:

- 16 (1) its general fund; or
- 17 (2) an authority established under IC 36-7-23;

18 money derived under this chapter that has been deposited in the city's
 19 or town's cumulative capital improvement fund.

20 SECTION 20. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006,
 21 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2010]: Sec. 11. (a) The state board of accounts and the
 23 department of local government finance shall make the rules and
 24 prescribe the forms and procedures that the state board of accounts and
 25 department consider appropriate for the implementation of this chapter.

26 (b) After each general reassessment under IC 6-1.1-4, the
 27 department of local government finance shall adjust the base assessed
 28 value (as defined in section 9 of this chapter) one (1) time to neutralize
 29 any effect of the general reassessment on the property tax proceeds
 30 allocated to the airport development zone's special funds under section
 31 9 of this chapter.

32 (c) After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
 33 department of local government finance shall adjust the base assessed
 34 value (as defined in section 9 of this chapter) to neutralize any effect
 35 of the ~~annual~~ adjustment on the property tax proceeds allocated to the
 36 airport development zone's special funds under section 9 of this
 37 chapter.

38 SECTION 21. IC 20-46-1-7, AS AMENDED BY P.L.182-2009(ss),

1 SECTION 345, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) This section applies to a
3 school corporation that added an amount to the school corporation's
4 base tax levy before 2002 as the result of the approval of an excessive
5 tax levy by the majority of individuals voting in a referendum held in
6 the area served by the school corporation under IC 6-1.1-19-4.5 (before
7 its repeal).

8 (b) A school corporation may adopt a resolution before September
9 21, 2005, to transfer the power of the school corporation to levy the
10 amount described in subsection (a) from the school corporation's
11 general fund to the school corporation's fund. A school corporation that
12 adopts a resolution under this section shall, as soon as practicable after
13 adopting the resolution, send a certified copy of the resolution to the
14 department of local government finance and the county auditor. A
15 school corporation that adopts a resolution under this section may, for
16 property taxes first due and payable after 2005, levy an additional
17 amount for the fund that does not exceed the amount of the excessive
18 tax levy added to the school corporation's base tax levy before 2002.

19 (c) The power of the school corporation to impose the levy
20 transferred to the fund under this section expires December 31, 2012,
21 unless:

- 22 (1) the school corporation adopts a resolution to reimpose or
23 extend the levy; and
24 (2) the levy is approved, before January 1, 2013, by a majority of
25 the individuals who vote in a referendum that is conducted in
26 accordance with the requirements in this chapter.

27 As soon as practicable after adopting the resolution under subdivision
28 (1), the school corporation shall send a certified copy of the resolution
29 to the **department of local government finance and the** county
30 auditor. However, if requested by the school corporation in the
31 resolution adopted under subdivision (1), the question of reimposing
32 or extending a levy transferred to the fund under this section may be
33 combined with a question presented to the voters to reimpose or extend
34 a levy initially imposed after 2001. A levy reimposed or extended
35 under this subsection shall be treated for all purposes as a levy
36 reimposed or extended under this chapter.

37 (d) The school corporation's levy under this section may not be
38 considered in the determination of the school corporation's state tuition

1 support distribution under IC 20-43 or the determination of any other
2 property tax levy imposed by the school corporation.

3 SECTION 22. IC 20-46-1-8, AS AMENDED BY P.L.146-2008,
4 SECTION 495, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2010]: Sec. 8. (a) Subject to this chapter, the
6 governing body of a school corporation may adopt a resolution to place
7 a referendum under this chapter on the ballot for either of the following
8 purposes:

9 (1) The governing body of the school corporation determines that
10 it cannot, in a calendar year, carry out its public educational duty
11 unless it imposes a referendum tax levy under this chapter.

12 (2) The governing body of the school corporation determines that
13 a referendum tax levy under this chapter should be imposed to
14 replace property tax revenue that the school corporation will not
15 receive because of the application of the credit under
16 IC 6-1.1-20.6.

17 (b) The governing body of the school corporation shall certify a
18 copy of the resolution to the **department of local government finance**
19 **and the** county fiscal body of each county in which the school
20 corporation is located."

21 Page 81, delete lines 35 through 42.

22 Page 82, delete lines 1 through 18, begin a new paragraph and
23 insert:

24 "SECTION 54. IC 20-46-5-6.1, AS ADDED BY P.L.182-2009(ss),
25 SECTION 349, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2010]: Sec. 6.1. (a) This section does not apply
27 to a school corporation ~~located in South Bend~~, **that elects to adopt a**
28 **budget under IC 6-1.1-17-5.6**, unless a resolution adopted under
29 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
30 in effect.

31 (b) Before a governing body may collect property taxes for the fund
32 in a particular calendar year, the governing body must, after January 1
33 and not later than September 20 of the immediately preceding year:

34 (1) conduct a public hearing on; and

35 (2) pass a resolution to adopt;

36 a plan.

37 ~~(c) This section expires January 1, 2011.~~

38 SECTION 55. IC 20-46-5-7, AS AMENDED BY P.L.182-2009(ss),

1 SECTION 350, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2010]: Sec. 7. (a) ~~Except as provided in~~
 3 ~~subsection (b);~~ This section applies only to a school corporation ~~located~~
 4 ~~in South Bend; that elects to adopt a budget under IC 6-1.1-17-5.6.~~

5 (b) ~~After December 31, 2010; this section applies to all school~~
 6 ~~corporations.~~

7 (c) ~~This subsection expires January 1, 2011.~~ (b) This section does
 8 not apply to the school corporation if a resolution adopted under
 9 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
 10 in effect.

11 ~~(d)~~ (c) Before the governing body of the school corporation may
 12 collect property taxes for the fund in a particular calendar year, the
 13 governing body must, after January 1 and on or before February 1 of
 14 the immediately preceding year:

15 (1) conduct a public hearing on; and

16 (2) pass a resolution to adopt;

17 a plan.

18 SECTION 56. IC 20-46-6-8.1, AS ADDED BY P.L.182-2009(ss),
 19 SECTION 353, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section does not apply
 21 to a school corporation that is ~~located in South Bend; elects to adopt~~
 22 ~~a budget under IC 6-1.1-17-5.6,~~ unless a resolution adopted under
 23 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
 24 in effect.

25 (b) Before a governing body may collect property taxes for a capital
 26 projects fund in a particular year, the governing body must:

27 (1) after January 1; and

28 (2) not later than September 20;

29 of the immediately preceding year, hold a public hearing on a proposed
 30 or amended plan and pass a resolution to adopt the proposed or
 31 amended plan.

32 (c) ~~This section expires January 1, 2011.~~

33 SECTION 57. IC 20-46-6-9, AS AMENDED BY P.L.182-2009(ss),
 34 SECTION 354, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2010]: Sec. 9. (a) This section applies only to
 36 a school corporation that is ~~located in South Bend; elects to adopt a~~
 37 ~~budget under IC 6-1.1-17-5.6.~~ However, this section does not apply
 38 to the school corporation if a resolution adopted under

1 IC 6-1.1-17-5.6(d) by the governing body of the school corporation is
2 in effect.

3 (b) Before the governing body of the school corporation may collect
4 property taxes for a fund in a particular year, the governing body must:

5 (1) after January 1; and

6 (2) before February 2;

7 of the immediately preceding year, hold a public hearing on a proposed
8 or amended plan and pass a resolution to adopt the proposed or
9 amended plan.

10 SECTION 58. IC 36-1-8-4 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) **Subject to**
12 **subsection (c)**, the fiscal body of a political subdivision may, by
13 ordinance or resolution, permit the transfer of a prescribed amount, for
14 a prescribed period, to a fund in need of money for cash flow purposes
15 from another fund of the political subdivision if all these conditions are
16 met:

17 (1) It must be necessary to borrow money to enhance the fund that
18 is in need of money for cash flow purposes.

19 (2) There must be sufficient money on deposit to the credit of the
20 other fund that can be temporarily transferred.

21 (3) Except as provided in subsection (b), the prescribed period
22 must end during the budget year of the year in which the transfer
23 occurs.

24 (4) The amount transferred must be returned to the other fund at
25 the end of the prescribed period.

26 (5) Only revenues derived from the levying and collection of
27 property taxes or special taxes or from operation of the political
28 subdivision may be included in the amount transferred.

29 (b) If the fiscal body of a political subdivision determines that an
30 emergency exists that requires an extension of the prescribed period of
31 a transfer under this section, the prescribed period may be extended for
32 not more than six (6) months beyond the budget year of the year in
33 which the transfer occurs if the fiscal body does the following:

34 (1) Passes an ordinance or a resolution that contains the
35 following:

36 (A) A statement that the fiscal body has determined that an
37 emergency exists.

38 (B) A brief description of the grounds for the emergency.

1 (C) The date the loan will be repaid that is not more than six
2 (6) months beyond the budget year in which the transfer
3 occurs.

4 (2) Immediately forwards the ordinance or resolution to the state
5 board of accounts and the department of local government
6 finance.

7 **(c) This subsection applies to municipalities. The municipal**
8 **fiscal body may adopt an ordinance, following a public hearing for**
9 **which notice is given in accordance with IC 5-3-1, determining that**
10 **a transfer under subsection (a) is a permanent transfer rather than**
11 **a transfer for a specific period. However, this subsection does not**
12 **permit a municipality to permanently transfer revenues derived**
13 **from:**

14 (1) the levying and collection of a property tax or special tax
15 imposed for a special taxing district;

16 (2) the levying and collection of a property tax or special tax
17 imposed to guarantee or pay interest or principal on bonds,
18 notes, debentures, or other evidences of indebtedness or to
19 make lease-rental payments;

20 (3) the levying and collection of a property tax or special tax
21 that was raised for a cumulative fund, except as provided in
22 IC 6-7-1-31.1; or

23 (4) the operation of a utility (as defined in IC 8-1.5-1-10)."

24 Page 85, delete lines 7 through 15.

25 Page 99, delete lines 10 through 42, begin a new paragraph and
26 insert:

27 "SECTION 20. IC 36-7-14-39, AS AMENDED BY
28 P.L.182-2009(ss), SECTION 404, IS AMENDED TO READ AS
29 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 39. (a) As used in this
30 section:

31 "Allocation area" means that part of a redevelopment project area
32 to which an allocation provision of a declaratory resolution adopted
33 under section 15 of this chapter refers for purposes of distribution and
34 allocation of property taxes.

35 "Base assessed value" means the following:

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

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

1 area before July 1, 1995, is expanded after June 30, 1995, the
2 definition in subdivision (1) applies to the expanded part of the
3 area added after June 30, 1995.

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

8 Except as provided in section 39.3 of this chapter, "property taxes"
9 means taxes imposed under IC 6-1.1 on real property. However, upon
10 approval by a resolution of the redevelopment commission adopted
11 before June 1, 1987, "property taxes" also includes taxes imposed
12 under IC 6-1.1 on depreciable personal property. If a redevelopment
13 commission adopted before June 1, 1987, a resolution to include within
14 the definition of property taxes taxes imposed under IC 6-1.1 on
15 depreciable personal property that has a useful life in excess of eight
16 (8) years, the commission may by resolution determine the percentage
17 of taxes imposed under IC 6-1.1 on all depreciable personal property
18 that will be included within the definition of property taxes. However,
19 the percentage included must not exceed twenty-five percent (25%) of
20 the taxes imposed under IC 6-1.1 on all depreciable personal property.

21 (b) A declaratory resolution adopted under section 15 of this chapter
22 on or before the allocation deadline determined under subsection (i)
23 may include a provision with respect to the allocation and distribution
24 of property taxes for the purposes and in the manner provided in this
25 section. A declaratory resolution previously adopted may include an
26 allocation provision by the amendment of that declaratory resolution on
27 or before the allocation deadline determined under subsection (i) in
28 accordance with the procedures required for its original adoption. A
29 declaratory resolution or an amendment that establishes an allocation
30 provision after June 30, 1995, must specify an expiration date for the
31 allocation provision. For an allocation area established before July 1,
32 2008, the expiration date may not be more than thirty (30) years after
33 the date on which the allocation provision is established. For an
34 allocation area established after June 30, 2008, the expiration date may
35 not be more than twenty-five (25) years after the date on which the first
36 obligation was incurred to pay principal and interest on bonds or lease
37 rentals on leases payable from tax increment revenues. However, with
38 respect to bonds or other obligations that were issued before July 1,

1 2008, if any of the bonds or other obligations that were scheduled when
2 issued to mature before the specified expiration date and that are
3 payable only from allocated tax proceeds with respect to the allocation
4 area remain outstanding as of the expiration date, the allocation
5 provision does not expire until all of the bonds or other obligations are
6 no longer outstanding. The allocation provision may apply to all or part
7 of the redevelopment project area. The allocation provision must
8 require that any property taxes subsequently levied by or for the benefit
9 of any public body entitled to a distribution of property taxes on taxable
10 property in the allocation area be allocated and distributed as follows:

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

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

15 or

16 (B) the base assessed value;

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

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

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

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

32 (C) Pay the principal of and interest on bonds payable from
33 allocated tax proceeds in that allocation area and from the
34 special tax levied under section 27 of this chapter.

35 (D) Pay the principal of and interest on bonds issued by the
36 unit to pay for local public improvements that are physically
37 located in or physically connected to that allocation area.

38 (E) Pay premiums on the redemption before maturity of bonds

- 1 payable solely or in part from allocated tax proceeds in that
 2 allocation area.
- 3 (F) Make payments on leases payable from allocated tax
 4 proceeds in that allocation area under section 25.2 of this
 5 chapter.
- 6 (G) Reimburse the unit for expenditures made by it for local
 7 public improvements (which include buildings, parking
 8 facilities, and other items described in section 25.1(a) of this
 9 chapter) that are physically located in or physically connected
 10 to that allocation area.
- 11 (H) Reimburse the unit for rentals paid by it for a building or
 12 parking facility that is physically located in or physically
 13 connected to that allocation area under any lease entered into
 14 under IC 36-1-10.
- 15 (I) For property taxes first due and payable before January 1,
 16 2009, pay all or a part of a property tax replacement credit to
 17 taxpayers in an allocation area as determined by the
 18 redevelopment commission. This credit equals the amount
 19 determined under the following STEPS for each taxpayer in a
 20 taxing district (as defined in IC 6-1.1-1-20) that contains all or
 21 part of the allocation area:
- 22 STEP ONE: Determine that part of the sum of the amounts
 23 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
 24 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
 25 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
- 26 STEP TWO: Divide:
- 27 (i) that part of each county's eligible property tax
 28 replacement amount (as defined in IC 6-1.1-21-2) for that
 29 year as determined under IC 6-1.1-21-4 that is attributable
 30 to the taxing district; by
- 31 (ii) the STEP ONE sum.
- 32 STEP THREE: Multiply:
- 33 (i) the STEP TWO quotient; times
- 34 (ii) the total amount of the taxpayer's taxes (as defined in
 35 IC 6-1.1-21-2) levied in the taxing district that have been
 36 allocated during that year to an allocation fund under this
 37 section.
- 38 If not all the taxpayers in an allocation area receive the credit

1 in full, each taxpayer in the allocation area is entitled to
 2 receive the same proportion of the credit. A taxpayer may not
 3 receive a credit under this section and a credit under section
 4 39.5 of this chapter (before its repeal) in the same year.

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

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

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

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

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

- 31 (i) Make, when due, any payments required under clauses
 32 (A) through (K), including any payments of principal and
 33 interest on bonds and other obligations payable under this
 34 subdivision, any payments of premiums under this
 35 subdivision on the redemption before maturity of bonds, and
 36 any payments on leases payable under this subdivision.
- 37 (ii) Make any reimbursements required under this
 38 subdivision.

- 1 (iii) Pay any expenses required under this subdivision.
 2 (iv) Establish, augment, or restore any debt service reserve
 3 under this subdivision.

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

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

8 (A) Determine the amount, if any, by which the assessed value
 9 of the taxable property in the allocation area for the most
 10 recent assessment date minus the base assessed value, when
 11 multiplied by the estimated tax rate of the allocation area, will
 12 exceed the amount of assessed value needed to produce the
 13 property taxes necessary to make, when due, principal and
 14 interest payments on bonds described in subdivision (2) plus
 15 the amount necessary for other purposes described in
 16 subdivision (2).

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

23 (i) state the amount, if any, of excess assessed value that the
 24 commission has determined may be allocated to the
 25 respective taxing units in the manner prescribed in
 26 subdivision (1); or

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

30 The county auditor shall allocate to the respective taxing units
 31 the amount, if any, of excess assessed value determined by the
 32 commission. The commission may not authorize an allocation
 33 of assessed value to the respective taxing units under this
 34 subdivision if to do so would endanger the interests of the
 35 holders of bonds described in subdivision (2) or lessors under
 36 section 25.3 of this chapter.

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

1 allocation area that is annexed by any taxing unit after the effective
2 date of the allocation provision of the declaratory resolution is the
3 lesser of:

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

7 (d) Property tax proceeds allocable to the redevelopment district
8 under subsection (b)(2) may, subject to subsection (b)(3), be
9 irrevocably pledged by the redevelopment district for payment as set
10 forth in subsection (b)(2).

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

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

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

23 (g) If any part of the allocation area is located in an enterprise zone
24 created under IC 5-28-15, the unit that designated the allocation area
25 shall create funds as specified in this subsection. A unit that has
26 obligations, bonds, or leases payable from allocated tax proceeds under
27 subsection (b)(2) shall establish an allocation fund for the purposes
28 specified in subsection (b)(2) and a special zone fund. Such a unit
29 shall, until the end of the enterprise zone phase out period, deposit each
30 year in the special zone fund any amount in the allocation fund derived
31 from property tax proceeds in excess of those described in subsection
32 (b)(1) from property located in the enterprise zone that exceeds the
33 amount sufficient for the purposes specified in subsection (b)(2) for the
34 year. The amount sufficient for purposes specified in subsection (b)(2)
35 for the year shall be determined based on the pro rata portion of such
36 current property tax proceeds from the part of the enterprise zone that
37 is within the allocation area as compared to all such current property
38 tax proceeds derived from the allocation area. A unit that has no

1 obligations, bonds, or leases payable from allocated tax proceeds under
2 subsection (b)(2) shall establish a special zone fund and deposit all the
3 property tax proceeds in excess of those described in subsection (b)(1)
4 in the fund derived from property tax proceeds in excess of those
5 described in subsection (b)(1) from property located in the enterprise
6 zone. The unit that creates the special zone fund shall use the fund
7 (based on the recommendations of the urban enterprise association) for
8 programs in job training, job enrichment, and basic skill development
9 that are designed to benefit residents and employers in the enterprise
10 zone or other purposes specified in subsection (b)(2), except that where
11 reference is made in subsection (b)(2) to allocation area it shall refer
12 for purposes of payments from the special zone fund only to that part
13 of the allocation area that is also located in the enterprise zone. Those
14 programs shall reserve at least one-half (1/2) of their enrollment in any
15 session for residents of the enterprise zone.

16 (h) The state board of accounts and department of local government
17 finance shall make the rules and prescribe the forms and procedures
18 that they consider expedient for the implementation of this chapter.
19 After each general reassessment under IC 6-1.1-4, the department of
20 local government finance shall adjust the base assessed value one (1)
21 time to neutralize any effect of the general reassessment on the
22 property tax proceeds allocated to the redevelopment district under this
23 section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
24 department of local government finance shall adjust the base assessed
25 value one (1) time to neutralize any effect of the ~~annual~~ adjustment on
26 the property tax proceeds allocated to the redevelopment district under
27 this section. However, the adjustments under this subsection may not
28 include the effect of property tax abatements under IC 6-1.1-12.1, and
29 these adjustments may not produce less property tax proceeds allocable
30 to the redevelopment district under subsection (b)(2) than would
31 otherwise have been received if the general reassessment or ~~annual~~
32 adjustment had not occurred. The department of local government
33 finance may prescribe procedures for county and township officials to
34 follow to assist the department in making the adjustments.

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

- 37 (1) The initial allocation deadline is December 31, 2011.
38 (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 21. IC 36-7-15.1-26, AS AMENDED BY
 13 P.L.182-2009(ss), SECTION 406, IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 26. (a) As used in this
 15 section:

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

20 "Base assessed value" means the following:

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

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

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

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

36 (A) the net assessed value of all the property as finally
 37 determined for the assessment date immediately preceding the
 38 effective date of the allocation provision of the declaratory

1 resolution, as adjusted under subsection (h); plus
 2 (B) to the extent that it is not included in clause (A), the net
 3 assessed value of property that is assessed as residential
 4 property under the rules of the department of local government
 5 finance, as finally determined for any assessment date after the
 6 effective date of the allocation provision.

7 (3) If:
 8 (A) an allocation provision adopted before June 30, 1995, in
 9 a declaratory resolution or an amendment to a declaratory
 10 resolution establishing a redevelopment project area expires
 11 after June 30, 1997; and
 12 (B) after June 30, 1997, a new allocation provision is included
 13 in an amendment to the declaratory resolution;
 14 the net assessed value of all the property as finally determined for
 15 the assessment date immediately preceding the effective date of
 16 the allocation provision adopted after June 30, 1997, as adjusted
 17 under subsection (h).

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

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

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

31 Except as provided in section 26.2 of this chapter, "property taxes"
 32 means taxes imposed under IC 6-1.1 on real property. However, upon
 33 approval by a resolution of the redevelopment commission adopted
 34 before June 1, 1987, "property taxes" also includes taxes imposed
 35 under IC 6-1.1 on depreciable personal property. If a redevelopment
 36 commission adopted before June 1, 1987, a resolution to include within
 37 the definition of property taxes taxes imposed under IC 6-1.1 on
 38 depreciable personal property that has a useful life in excess of eight

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

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

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

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

38 or

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

- 1 (I) Reimburse public and private entities for expenses incurred
- 2 in training employees of industrial facilities that are located:
- 3 (i) in the allocation area; and
- 4 (ii) on a parcel of real property that has been classified as
- 5 industrial property under the rules of the department of local
- 6 government finance.

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

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

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

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

34 (3) Before July 15 of each year, the commission shall do the
 35 following:

- 36 (A) Determine the amount, if any, by which the assessed value
- 37 of the taxable property in the allocation area for the most
- 38 recent assessment date minus the base assessed value, when

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

7 (B) Provide a written notice to the county auditor, the
 8 legislative body of the consolidated city, and the officers who
 9 are authorized to fix budgets, tax rates, and tax levies under
 10 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 11 or partly located within the allocation area. The notice must:

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

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

19 The county auditor shall allocate to the respective taxing units
 20 the amount, if any, of excess assessed value determined by the
 21 commission. The commission may not authorize an allocation
 22 to the respective taxing units under this subdivision if to do so
 23 would endanger the interests of the holders of bonds described
 24 in subdivision (2).

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

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

31 (2) the base assessed value.

32 (d) Property tax proceeds allocable to the redevelopment district
 33 under subsection (b)(2) may, subject to subsection (b)(3), be
 34 irrevocably pledged by the redevelopment district for payment as set
 35 forth in subsection (b)(2).

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

1 date after the petition.

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

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

9 (2) the base assessed value.

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

30 (1) To pay for programs in job training, job enrichment, and basic
31 skill development designed to benefit residents and employers in
32 the enterprise zone. The programs must reserve at least one-half
33 (1/2) of the enrollment in any session for residents of the
34 enterprise zone.

35 (2) To make loans and grants for the purpose of stimulating
36 business activity in the enterprise zone or providing employment
37 for enterprise zone residents in the enterprise zone. These loans
38 and grants may be made to the following:

- 1 (A) Businesses operating in the enterprise zone.
- 2 (B) Businesses that will move their operations to the enterprise
3 zone if such a loan or grant is made.
- 4 (3) To provide funds to carry out other purposes specified in
5 subsection (b)(2). However, where reference is made in
6 subsection (b)(2) to the allocation area, the reference refers for
7 purposes of payments from the special zone fund only to that part
8 of the allocation area that is also located in the enterprise zone.
- 9 (h) The state board of accounts and department of local government
10 finance shall make the rules and prescribe the forms and procedures
11 that they consider expedient for the implementation of this chapter.
12 After each general reassessment under IC 6-1.1-4, the department of
13 local government finance shall adjust the base assessed value one (1)
14 time to neutralize any effect of the general reassessment on the
15 property tax proceeds allocated to the redevelopment district under this
16 section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
17 department of local government finance shall adjust the base assessed
18 value to neutralize any effect of the ~~annual~~ adjustment on the property
19 tax proceeds allocated to the redevelopment district under this section.
20 However, the adjustments under this subsection may not include the
21 effect of property tax abatements under IC 6-1.1-12.1, and these
22 adjustments may not produce less property tax proceeds allocable to
23 the redevelopment district under subsection (b)(2) than would
24 otherwise have been received if the general reassessment or ~~annual~~
25 adjustment had not occurred. The department of local government
26 finance may prescribe procedures for county and township officials to
27 follow to assist the department in making the adjustments.
- 28 (i) The allocation deadline referred to in subsection (b) is
29 determined in the following manner:
- 30 (1) The initial allocation deadline is December 31, 2011.
- 31 (2) Subject to subdivision (3), the initial allocation deadline and
32 subsequent allocation deadlines are automatically extended in
33 increments of five (5) years, so that allocation deadlines
34 subsequent to the initial allocation deadline fall on December 31,
35 2016, and December 31 of each fifth year thereafter.
- 36 (3) At least one (1) year before the date of an allocation deadline
37 determined under subdivision (2), the general assembly may enact
38 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 22. IC 36-7-15.1-53, AS AMENDED BY
6 P.L.182-2009(ss), SECTION 407, IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 53. (a) As used in this
8 section:

9 "Allocation area" means that part of a redevelopment project area
10 to which an allocation provision of a resolution adopted under section
11 40 of this chapter refers for purposes of distribution and allocation of
12 property taxes.

13 "Base assessed value" means:

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

18 (2) to the extent that it is not included in subdivision (1), the net
19 assessed value of property that is assessed as residential property
20 under the rules of the department of local government finance, as
21 finally determined for any assessment date after the effective date
22 of the allocation provision.

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

25 (b) A resolution adopted under section 40 of this chapter on or
26 before the allocation deadline determined under subsection (i) may
27 include a provision with respect to the allocation and distribution of
28 property taxes for the purposes and in the manner provided in this
29 section. A resolution previously adopted may include an allocation
30 provision by the amendment of that resolution on or before the
31 allocation deadline determined under subsection (i) in accordance with
32 the procedures required for its original adoption. A declaratory
33 resolution or an amendment that establishes an allocation provision
34 must be approved by resolution of the legislative body of the excluded
35 city and must specify an expiration date for the allocation provision.
36 For an allocation area established before July 1, 2008, the expiration
37 date may not be more than thirty (30) years after the date on which the
38 allocation provision is established. For an allocation area established

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

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

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

20 or

21 (B) the base assessed value;

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

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

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

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

37 (C) Pay the principal of and interest on bonds payable from
38 allocated tax proceeds in that allocation area and from the

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

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

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

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

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

34 (2) the base assessed value.

35 (d) Property tax proceeds allocable to the redevelopment district
 36 under subsection (b)(2) may, subject to subsection (b)(3), be
 37 irrevocably pledged by the redevelopment district for payment as set
 38 forth in subsection (b)(2).

1 (e) Notwithstanding any other law, each assessor shall, upon
2 petition of the commission, reassess the taxable property situated upon
3 or in, or added to, the allocation area, effective on the next assessment
4 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 formulation 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 unit that designated the allocation area
15 shall create funds as specified in this subsection. A unit that has
16 obligations, bonds, or leases payable from allocated tax proceeds under
17 subsection (b)(2) shall establish an allocation fund for the purposes
18 specified in subsection (b)(2) and a special zone fund. Such a unit
19 shall, until the end of the enterprise zone phase out period, deposit each
20 year in the special zone fund the amount in the allocation fund derived
21 from property tax proceeds in excess of those described in subsection
22 (b)(1) from property located in the enterprise zone that exceeds the
23 amount sufficient for the purposes specified in subsection (b)(2) for the
24 year. A unit that has no obligations, bonds, or leases payable from
25 allocated tax proceeds under subsection (b)(2) shall establish a special
26 zone fund and deposit all the property tax proceeds in excess of those
27 described in subsection (b)(1) in the fund derived from property tax
28 proceeds in excess of those described in subsection (b)(1) from
29 property located in the enterprise zone. The unit that creates the special
30 zone fund shall use the fund, based on the recommendations of the
31 urban enterprise association, for one (1) or more of the following
32 purposes:

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

38 (2) To make loans and grants for the purpose of stimulating

1 business activity in the enterprise zone or providing employment
 2 for enterprise zone residents in an enterprise zone. These loans
 3 and grants may be made to the following:

- 4 (A) Businesses operating in the enterprise zone.
- 5 (B) Businesses that will move their operations to the enterprise
 6 zone if such a loan or grant is made.

7 (3) To provide funds to carry out other purposes specified in
 8 subsection (b)(2). However, where reference is made in
 9 subsection (b)(2) to the allocation area, the reference refers, for
 10 purposes of payments from the special zone fund, only to that part
 11 of the allocation area that is also located in the enterprise zone.

12 (h) The state board of accounts and department of local government
 13 finance shall make the rules and prescribe the forms and procedures
 14 that they consider expedient for the implementation of this chapter.
 15 After each general reassessment under IC 6-1.1-4, the department of
 16 local government finance shall adjust the base assessed value one (1)
 17 time to neutralize any effect of the general reassessment on the
 18 property tax proceeds allocated to the redevelopment district under this
 19 section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5, the
 20 department of local government finance shall adjust the base assessed
 21 value to neutralize any effect of the ~~annual~~ adjustment on the property
 22 tax proceeds allocated to the 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)(2) than would
 27 otherwise have been received if the general reassessment or ~~annual~~
 28 adjustment had not occurred. The department of local government
 29 finance may prescribe procedures for county and township officials to
 30 follow to assist the department in making the adjustments.

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

- 33 (1) The initial allocation deadline is December 31, 2011.
- 34 (2) Subject to subdivision (3), the initial allocation deadline and
 35 subsequent allocation deadlines are automatically extended in
 36 increments of five (5) years, so that allocation deadlines
 37 subsequent to the initial allocation deadline fall on December 31,
 38 2016, and December 31 of each fifth year thereafter.

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

4 (A) terminates the automatic extension of allocation deadlines
 5 under subdivision (2); and

6 (B) specifically designates a particular date as the final
 7 allocation deadline.

8 SECTION 77. IC 36-7-22-11 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. An ordinance
 10 adopted under section 7 of this chapter must establish an economic
 11 improvement board to be appointed by the legislative body. The board
 12 must have at least three (3) members, and a majority of the board
 13 members must own real property within the district. **However, if there**
 14 **is only one (1) property owner within the district, the legislative**
 15 **body shall appoint one (1) member to the economic improvement**
 16 **board who owns real property within the district and not more**
 17 **than two (2) other members who are not required to own real**
 18 **property within the district.**

19 SECTION 78. IC 36-7-22-12, AS AMENDED BY P.L.1-2009,
 20 SECTION 166, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) The board shall use the
 22 formula approved by the legislative body under section 7(a)(4) of this
 23 chapter to determine the percentage of benefit to be received by each
 24 parcel of real property within the economic improvement district. The
 25 board shall apply the percentage determined for each parcel to the total
 26 amount that is to be defrayed by special assessment and determine the
 27 **special** assessment for each parcel.

28 (b) Promptly after determining the proposed assessment for each
 29 parcel, the board shall mail notice to each owner of property to be
 30 assessed. This notice must:

31 (1) set forth the amount of the proposed **special** assessment;

32 (2) state that the proposed **special** assessment on each parcel of
 33 real property in the economic improvement district is on file and
 34 can be seen in the board's office;

35 (3) state the time and place where written remonstrances against
 36 the **special** assessment may be filed;

37 (4) set forth the time and place where the board will hear any
 38 owner of assessed real property who has filed a remonstrance

- 1 before the hearing date; and
- 2 (5) state that the board, after hearing evidence, may increase or
- 3 decrease, or leave unchanged, the **special** assessment on any
- 4 parcel.
- 5 (c) The notices must be deposited in the mail twenty (20) days
- 6 before the hearing date. The notices to the owners must be addressed
- 7 as the names and addresses appear on the tax duplicates and the
- 8 records of the county auditor.
- 9 (d) At the time fixed in the notice, the board shall hear any owner
- 10 of assessed real property who has filed a written remonstrance before
- 11 the date of the hearing. The hearing may be continued from time to
- 12 time as long as is necessary to hear the owners.
- 13 (e) The board shall render its decision by increasing, decreasing, or
- 14 confirming each **special** assessment by setting opposite each name,
- 15 parcel, and proposed assessment, the amount of the assessment as
- 16 determined by the board. However, if the total of the **special**
- 17 assessments exceeds the amount needed, the board shall make a
- 18 prorated reduction in each **special** assessment.
- 19 (f) Except as provided in section 13 of this chapter, the signing of
- 20 the **special** assessment schedule by a majority of the members of the
- 21 board and the delivery of the schedule to the county auditor constitute
- 22 a final and conclusive determination of the benefits that are assessed.
- 23 (g) Each **economic improvement district special** assessment is
- 24 ~~(1) included within the definition of property taxation under~~
- 25 ~~IC 6-1.1-1-14; and~~
- 26 ~~(2) a lien on the real property that is assessed, in the economic~~
- 27 ~~improvement district: **second only to ad valorem property taxes**~~
- 28 ~~**levied on that property.**~~
- 29 ~~The general assembly finds that an economic improvement district~~
- 30 ~~assessment is a property tax levied for the general public welfare:~~
- 31 ~~(h) An economic improvement district assessment paid by a~~
- 32 ~~property owner is a property tax for the purposes of applying Section~~
- 33 ~~164 of the Internal Revenue Code to the determination of adjusted~~
- 34 ~~gross income. However, an economic improvement district assessment~~
- 35 ~~paid by a property owner is not eligible for a credit under IC 6-1.1,~~
- 36 ~~IC 6-3.5, or any other law.~~
- 37 (i) ~~(h)~~ The board shall certify to the county auditor the schedule of
- 38 **special** assessments of benefits. **For purposes of providing**

1 **substantiation of the deductibility of a special assessment for**
 2 **federal adjusted gross income tax purposes under Section 164 of**
 3 **the Internal Revenue Code, the board shall, to the extent**
 4 **practicable, supplement the schedule of special assessments**
 5 **provided to the county auditor with a statement that identifies the**
 6 **part of each special assessment that is allocable to interest,**
 7 **maintenance, and repair charges. If the board provides the county**
 8 **auditor with the statement, the county auditor shall show, on the**
 9 **tax statement, the part of the special assessment that is for interest**
 10 **and maintenance and repair items separately from the remainder**
 11 **of the special assessment.**

12 SECTION 23. IC 36-7-30-25, AS AMENDED BY P.L.146-2008,
 13 SECTION 770, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2010]: Sec. 25. (a) The following definitions
 15 apply throughout this section:

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

20 (2) "Base assessed value" means:

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

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

30 (C) to the extent that it is not included in clause (A) or (B), the
 31 net 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 Clause (C) applies only to allocation areas established in a
 36 military reuse area after June 30, 1997, and to the part of an
 37 allocation area that was established before June 30, 1997, and that
 38 is added to an existing allocation area after June 30, 1997.

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

3 (b) A declaratory resolution adopted under section 10 of this chapter
4 before the date set forth in IC 36-7-14-39(b) pertaining to declaratory
5 resolutions adopted under IC 36-7-14-15 may include a provision with
6 respect to the allocation and distribution of property taxes for the
7 purposes and in the manner provided in this section. A declaratory
8 resolution previously adopted may include an allocation provision by
9 the amendment of that declaratory resolution in accordance with the
10 procedures set forth in section 13 of this chapter. The allocation
11 provision may apply to all or part of the military base reuse area. The
12 allocation provision must require that any property taxes subsequently
13 levied by or for the benefit of any public body entitled to a distribution
14 of property taxes on taxable property in the allocation area be allocated
15 and distributed as follows:

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

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

20 or

21 (B) the base assessed value;

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

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

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

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

- 1 (C) Make payments on leases payable solely or in part from
2 allocated tax proceeds in that allocation area.
- 3 (D) Reimburse any other governmental body for expenditures
4 made for local public improvements (or structures) in or
5 directly serving or benefiting that allocation area.
- 6 (E) For property taxes first due and payable before 2009, pay
7 all or a part of a property tax replacement credit to taxpayers
8 in an allocation area as determined by the reuse authority. This
9 credit equals the amount determined under the following
10 STEPS for each taxpayer in a taxing district (as defined in
11 IC 6-1.1-1-20) that contains all or part of the allocation area:
12 STEP ONE: Determine that part of the sum of the amounts
13 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
14 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
15 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.
16 STEP TWO: Divide:
17 (i) that part of each county's eligible property tax
18 replacement amount (as defined in IC 6-1.1-21-2) for that
19 year as determined under IC 6-1.1-21-4 that is attributable
20 to the taxing district; by
21 (ii) the STEP ONE sum.
- 22 STEP THREE: Multiply:
23 (i) the STEP TWO quotient; times
24 (ii) the total amount of the taxpayer's taxes (as defined in
25 IC 6-1.1-21-2) levied in the taxing district that have been
26 allocated during that year to an allocation fund under this
27 section.
- 28 If not all the taxpayers in an allocation area receive the credit
29 in full, each taxpayer in the allocation area is entitled to
30 receive the same proportion of the credit. A taxpayer may not
31 receive a credit under this section and a credit under section
32 27 of this chapter (before its repeal) in the same year.
- 33 (F) Pay expenses incurred by the reuse authority for local
34 public improvements or structures that were in the allocation
35 area or directly serving or benefiting the allocation area.
- 36 (G) Reimburse public and private entities for expenses
37 incurred in training employees of industrial facilities that are
38 located:

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

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

12 The allocation fund may not be used for operating expenses of the
 13 reuse authority.

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

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

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

- 28 (i) state the amount, if any, of excess property taxes that the
 29 reuse authority has determined may be paid to the respective
 30 taxing units in the manner prescribed in subdivision (1); or
 31 (ii) state that the reuse authority has determined that there
 32 are no excess property tax proceeds that may be allocated to
 33 the respective taxing units in the manner prescribed in
 34 subdivision (1).

35 The county auditor shall allocate to the respective taxing units
 36 the amount, if any, of excess property tax proceeds determined
 37 by the reuse authority. The reuse authority may not authorize
 38 a payment to the respective taxing units under this subdivision

1 if to do so would endanger the interest of the holders of bonds
2 described in subdivision (2) or lessors under section 19 of this
3 chapter. Property taxes received by a taxing unit under this
4 subdivision before 2009 are eligible for the property tax
5 replacement credit provided under IC 6-1.1-21.

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

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

12 (2) the base assessed value.

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

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

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

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

28 (2) the base assessed value.

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

1 amount sufficient for the purposes specified in subsection (b)(2) for the
2 year. The amount sufficient for purposes specified in subsection (b)(2)
3 for the year shall be determined based on the pro rata part of such
4 current property tax proceeds from the part of the enterprise zone that
5 is within the allocation area as compared to all such current property
6 tax proceeds derived from the allocation area. A unit that does not have
7 obligations, bonds, or leases payable from allocated tax proceeds under
8 subsection (b)(2) shall establish a special zone fund and deposit all the
9 property tax proceeds in excess of those described in subsection (b)(1)
10 that are derived from property in the enterprise zone in the fund. The
11 unit that creates the special zone fund shall use the fund (based on the
12 recommendations of the urban enterprise association) for programs in
13 job training, job enrichment, and basic skill development that are
14 designed to benefit residents and employers in the enterprise zone or
15 other purposes specified in subsection (b)(2), except that where
16 reference is made in subsection (b)(2) to allocation area it shall refer
17 for purposes of payments from the special zone fund only to that part
18 of the allocation area that is also located in the enterprise zone. The
19 programs shall reserve at least one-half (1/2) of their enrollment in any
20 session for residents of the enterprise zone.

21 (h) After each general reassessment under IC 6-1.1-4, the
22 department of local government finance shall adjust the base assessed
23 value one (1) time to neutralize any effect of the general reassessment
24 on the property tax proceeds allocated to the military base reuse district
25 under this section. After each ~~annual~~ adjustment under IC 6-1.1-4-4.5,
26 the department of local government finance shall adjust the base
27 assessed value to neutralize any effect of the ~~annual~~ adjustment on the
28 property tax proceeds allocated to the military base reuse district under
29 this section. However, the adjustments under this subsection may not
30 include the effect of property tax abatements under IC 6-1.1-12.1, and
31 these adjustments may not produce less property tax proceeds allocable
32 to the military base reuse district under subsection (b)(2) than would
33 otherwise have been received if the general reassessment or ~~annual~~
34 adjustment had not occurred. The department of local government
35 finance may prescribe procedures for county and township officials to
36 follow to assist the department in making the adjustments.

37 SECTION 24. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008,
38 SECTION 772, IS AMENDED TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2010]: Sec. 30. (a) The following definitions
2 apply throughout this section:

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

7 (2) "Base assessed value" means:

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

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

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

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

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

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

1 (A) the assessed value of the property for the assessment date
2 with respect to which the allocation and distribution is made;
3 or
4 (B) the base assessed value;
5 shall be allocated to and, when collected, paid into the funds of
6 the respective taxing units.

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

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

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

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

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

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

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

1 (i) that part of each county's eligible property tax
 2 replacement amount (as defined in IC 6-1.1-21-2) for that
 3 year as determined under IC 6-1.1-21-4 that is attributable
 4 to the taxing district; by

5 (ii) the STEP ONE sum.

6 STEP THREE: Multiply:

7 (i) the STEP TWO quotient; by

8 (ii) the total amount of the taxpayer's taxes (as defined in
 9 IC 6-1.1-21-2) levied in the taxing district that have been
 10 allocated during that year to an allocation fund under this
 11 section.

12 If not all the taxpayers in an allocation area receive the credit
 13 in full, each taxpayer in the allocation area is entitled to
 14 receive the same proportion of the credit. A taxpayer may not
 15 receive a credit under this section and a credit under section
 16 32 of this chapter (before its repeal) in the same year.

17 (F) Pay expenses incurred by the development authority for
 18 local public improvements or structures that were in the
 19 allocation area or directly serving or benefitting the allocation
 20 area.

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

24 (i) in the allocation area; and

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

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

35 The allocation fund may not be used for operating expenses of the
 36 development authority.

37 (3) Except as provided in subsection (g), before July 15 of each
 38 year the development authority shall do the following:

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

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

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

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

20 The county auditors shall allocate to the respective taxing units
 21 the amount, if any, of excess assessed value determined by the
 22 development authority. The development authority may not
 23 authorize a payment to the respective taxing units under this
 24 subdivision if to do so would endanger the interest of the
 25 holders of bonds described in subdivision (2) or lessors under
 26 section 24 of this chapter. Property taxes received by a taxing
 27 unit under this subdivision before 2009 are eligible for the
 28 property tax replacement credit provided under IC 6-1.1-21.

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

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

35 (2) the base assessed value.

36 (d) Property tax proceeds allocable to the military base development
 37 district under subsection (b)(2) may, subject to subsection (b)(3), be
 38 irrevocably pledged by the military base development district for

1 payment as set forth in subsection (b)(2).

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

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

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

13 (2) the base assessed value.

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

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

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

24 SECTION 25. IC 36-7-32-19, AS AMENDED BY P.L.154-2006,
 25 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2010]: Sec. 19. (a) The state board of accounts and
 27 department of local government finance shall make the rules and
 28 prescribe the forms and procedures that the state board of accounts and
 29 department of local government finance consider appropriate for the
 30 implementation of an allocation area under this chapter.

31 (b) After each general reassessment under IC 6-1.1-4, the
 32 department of local government finance shall adjust the base assessed
 33 value one (1) time to neutralize any effect of the general reassessment
 34 on the property tax proceeds allocated to the certified technology park
 35 fund under section 17 of this chapter. After each ~~annual~~ adjustment
 36 under IC 6-1.1-4-4.5, the department of local government finance shall
 37 adjust the base assessed value to neutralize any effect of the ~~annual~~
 38 adjustment on the property tax proceeds allocated to the certified

- 1 technology park fund under section 17 of this chapter."
 2 Delete pages 100 through 129.
 3 Page 130, delete lines 1 through 41, begin a new paragraph and
 4 insert:
 5 "SECTION 81. IC 36-9-16-2, AS AMENDED BY P.L.8-2009,
 6 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 2. (a) A unit may establish a cumulative
 8 building or sinking fund or cumulative capital improvement funds to
 9 provide money for one (1) or more of the following purposes:
 10 (1) To purchase, construct, equip, and maintain buildings for
 11 public purposes.
 12 (2) To acquire the land, and any improvements on it, that are
 13 necessary for the construction of public buildings.
 14 (3) To demolish any improvements on land acquired under this
 15 section, and to level, grade, and prepare the land for the
 16 construction of a public building.
 17 (4) To acquire land or rights-of-way to be used as a public way or
 18 other means of ingress or egress to land acquired for the
 19 construction of a public building.
 20 (5) To improve or construct any public way or other means of
 21 ingress or egress to land acquired for the construction of a public
 22 building.
 23 (b) In addition to the purposes described in subsection (a), a
 24 cumulative capital improvement fund may be used to purchase body
 25 armor (as defined in IC 36-8-4-4.5(a)) for active members of a police
 26 department.
 27 **(c) A municipality may establish a cumulative capital**
 28 **improvement fund for a purpose described in IC 6-7-1-31.1."**
 29 Renumber all SECTIONS consecutively.
 (Reference is to SB 239 as reprinted February 2, 2010.)

and when so amended that said bill do pass.

Representative Crawford