

# HOUSE BILL No. 1249

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-14; IC 36-7-25-7.

**Synopsis:** Tax increment financing. Provides that if a redevelopment commission outside Marion County wishes to establish a TIF area after June 30, 2021, a school corporation that is located wholly or partly within the proposed TIF area may elect whether to participate in the TIF area. Provides that for TIF areas established after June 30, 2021, a school corporation that elects to participate in a proposed TIF is bound by the terms of the TIF area until the TIF area expires. Provides that except for property tax proceeds transferred to a school corporation, a public school, including a charter school, or a nonpublic school, allocated property tax proceeds may be expended for projects located outside an allocation area only if the redevelopment commission adopts a declaratory resolution that finds that the expenditures: (1) will directly benefit the allocation area; or (2) will result in the creation or retention of jobs in the private sector. Adds various requirements related to expenditures under contracts between redevelopment commissions and providers of educational and training programs to establish programs designed to prepare individuals to participate in the competitive and global economy.

**Effective:** Upon passage; April 1, 2021.

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## Clere, Engleman, Cook

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January 14, 2021, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

# HOUSE BILL No. 1249

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

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

1 SECTION 1. IC 36-7-14-13, AS AMENDED BY P.L.255-2017,  
2 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 APRIL 1, 2021]: Sec. 13. (a) Not later than April 15 of each year, the  
4 redevelopment commissioners or their designees shall file with the  
5 unit's executive and fiscal body a report setting out their activities  
6 during the preceding calendar year.

7 (b) The report of the commissioners of a municipal redevelopment  
8 commission must show the names of the then qualified and acting  
9 commissioners, the names of the officers of that body, the number of  
10 regular employees and their fixed salaries or compensation, the amount  
11 of the expenditures made during the preceding year and their general  
12 purpose, an accounting of the tax increment revenues expended by any  
13 entity receiving the tax increment revenues as a grant or loan from the  
14 commission, the amount of funds on hand at the close of the calendar  
15 year, and other information necessary to disclose the activities of the  
16 commissioners and the results obtained.

17 (c) The report of the commissioners of a county redevelopment



1 commission must show all the information required by subsection (b),  
 2 plus the names of any commissioners appointed to or removed from  
 3 office during the preceding calendar year.

4 (d) A copy of each report filed under this section must be submitted  
 5 to the department of local government finance in an electronic format.

6 (e) The report required under subsection (a) must also include the  
 7 following information set forth for each tax increment financing district  
 8 regarding the previous year:

9 (1) Revenues received.

10 (2) Expenses paid.

11 (3) Fund balances.

12 (4) The amount and maturity date for all outstanding obligations.

13 (5) The amount paid on outstanding obligations.

14 (6) A list of all the parcels and the depreciable personal property  
 15 of any designated taxpayer included in each tax increment  
 16 financing district allocation area and the base assessed value and  
 17 incremental assessed value for each parcel and the depreciable  
 18 personal property of any designated taxpayer in the list.

19 **(7) A list of the participating taxing units (as defined in section**  
 20 **39(a) of this chapter).**

21 ~~(7)~~ **(8)** To the extent that the following information has not  
 22 previously been provided to the department of local government  
 23 finance:

24 (A) The year in which the tax increment financing district was  
 25 established.

26 (B) The section of the Indiana Code under which the tax  
 27 increment financing district was established.

28 (C) Whether the tax increment financing district is part of an  
 29 area needing redevelopment, an economic development area,  
 30 a redevelopment project area, or an urban renewal project  
 31 area.

32 (D) If applicable, the year in which the boundaries of the tax  
 33 increment financing district were changed and a description of  
 34 those changes.

35 (E) The date on which the tax increment financing district will  
 36 expire.

37 (F) A copy of each resolution adopted by the redevelopment  
 38 commission that establishes or alters the tax increment  
 39 financing district.

40 (f) A redevelopment commission and a department of  
 41 redevelopment are subject to the same laws, rules, and ordinances of  
 42 a general nature that apply to all other commissions or departments of



1 the unit.

2 SECTION 2. IC 36-7-14-17, AS AMENDED BY P.L.257-2019,  
3 SECTION 115, IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE APRIL 1, 2021]: Sec. 17. (a) After receipt of the written  
5 order of approval of the plan commission and approval of the  
6 municipal legislative body or county executive, the redevelopment  
7 commission shall publish notice of the adoption and substance of the  
8 resolution in accordance with IC 5-3-1. The notice must:

- 9 (1) state that maps and plats have been prepared and can be  
10 inspected at the office of the department; and  
11 (2) name a date when the commission will:  
12 (A) receive and hear remonstrances and objections from  
13 persons interested in or affected by the proceedings pertaining  
14 to the proposed project or other actions to be taken under the  
15 resolution; and  
16 (B) determine the public utility and benefit of the proposed  
17 project or other actions.

18 All persons affected in any manner by the hearing, including all  
19 taxpayers of the special taxing district, shall be considered notified of  
20 the pendency of the hearing and of subsequent acts, hearings,  
21 adjournments, and orders of the commission by the notice given under  
22 this section.

23 (b) A copy of the notice of the hearing on the resolution shall be  
24 filed in the office of the unit's plan commission, board of zoning  
25 appeals, works board, park board, and building commissioner, and any  
26 other departments, bodies, or officers of the unit having to do with unit  
27 planning, variances from zoning ordinances, land use, or the issuance  
28 of building permits. These agencies and officers shall take notice of the  
29 pendency of the hearing and, until the commission confirms, modifies  
30 and confirms, or rescinds the resolution, or the confirmation of the  
31 resolution is set aside on appeal, may not:

- 32 (1) authorize any construction on property or sewers in the area  
33 described in the resolution, including substantial modifications,  
34 rebuilding, conversion, enlargement, additions, and major  
35 structural improvements; or  
36 (2) take any action regarding the zoning or rezoning of property,  
37 or the opening, closing, or improvement of streets, alleys, or  
38 boulevards in the area described in the resolution.

39 This subsection does not prohibit the granting of permits for ordinary  
40 maintenance or minor remodeling, or for changes necessary for the  
41 continued occupancy of buildings in the area.

42 (c) If the resolution to be considered at the hearing includes a



1 provision establishing or amending an allocation provision under  
 2 section 39 of this chapter, the redevelopment commission shall file the  
 3 following information with each taxing unit that is wholly or partly  
 4 located within the allocation area:

5 (1) A copy of the notice required by subsection (a).

6 (2) A statement disclosing the impact of the allocation area,  
 7 including the following:

8 (A) The estimated economic benefits and costs incurred by the  
 9 allocation area, as measured by increased employment and  
 10 anticipated growth of real property assessed values.

11 (B) The anticipated impact on tax revenues of each taxing unit.

12 The redevelopment commission shall file the information required by  
 13 this subsection with the officers of the taxing unit who are authorized  
 14 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten  
 15 (10) days before the date of the hearing. **If the resolution to be  
 16 considered at the hearing includes a provision establishing an  
 17 allocation area after June 30, 2021, or amending an allocation  
 18 provision for an allocation area initially established after June 30,  
 19 2021, the redevelopment commission shall prepare the statement  
 20 required under subdivision (2) assuming that each school  
 21 corporation wholly or partly located in the proposed allocation  
 22 area will elect to be subject to the allocation provision as provided  
 23 in subsection (d).**

24 **(d) This subsection applies if the resolution to be considered at  
 25 the hearing includes a provision establishing an allocation area  
 26 after June 30, 2021, or amending an allocation provision for an  
 27 allocation area initially established after June 30, 2021. If a school  
 28 corporation is wholly or partly located in a proposed allocation  
 29 area that is referred to in an allocation provision of the resolution  
 30 to be considered at the hearing scheduled under subsection (a), the  
 31 governing body of the school corporation may adopt a resolution  
 32 electing to be subject to the allocation provision. If the governing  
 33 body of the school corporation adopts a resolution electing to be  
 34 subject to the proposed allocation provision, the governing body  
 35 shall deliver a copy of the resolution to the redevelopment  
 36 commission before the hearing date specified in the notice given to  
 37 the taxing unit under subsection (a)(2). A school corporation that  
 38 is wholly or partly located in a proposed allocation area is not  
 39 subject to the proposed allocation provision unless:**

40 **(1) the governing body of the school corporation adopts a  
 41 resolution electing to be subject to the proposed allocation  
 42 provision in the resolution to be considered at the hearing;**



1           **and**

2           **(2) the allocation provision in the resolution to be considered**  
 3           **at the hearing is adopted by the redevelopment commission as**  
 4           **provided in subsection (e).**

5           **If the redevelopment commission adopts the resolution containing**  
 6           **the allocation provision as provided in subsection (e) and the**  
 7           **redevelopment commission's action becomes final, the allocation**  
 8           **provision as amended from time to time applies until the allocation**  
 9           **provision terminates to each taxing unit wholly or partly located**  
 10           **in the allocation area, except those school corporations that have**  
 11           **not elected to be bound by the allocation provision.**

12           ~~(d)~~ **(e)** At the hearing, which may be adjourned from time to time,  
 13           the redevelopment commission shall hear all persons interested in the  
 14           proceedings and shall consider all written remonstrances and  
 15           objections that have been filed. After considering the evidence  
 16           presented, the commission shall take final action determining the  
 17           public utility and benefit of the proposed project or other actions to be  
 18           taken under the resolution, and confirming, modifying and confirming,  
 19           or rescinding the resolution. The final action taken by the commission  
 20           shall be recorded and is final and conclusive, except that an appeal may  
 21           be taken in the manner prescribed by section 18 of this chapter.

22           ~~(e)~~ **(f)** If the redevelopment commission adopts the resolution and  
 23           the resolution includes a provision establishing or amending an  
 24           allocation provision under section 39 of this chapter, the  
 25           redevelopment commission shall file a copy of the resolution with both  
 26           the auditor of the county in which the unit is located and the  
 27           department of local government finance, together with any supporting  
 28           documents that are relevant to the computation of assessed values in  
 29           the allocation area, within thirty (30) days after the date on which the  
 30           redevelopment commission takes final action on the resolution.

31           SECTION 3. IC 36-7-14-29.6 IS ADDED TO THE INDIANA  
 32           CODE AS A NEW SECTION TO READ AS FOLLOWS  
 33           [EFFECTIVE UPON PASSAGE]: **Sec. 29.6. (a) Except as provided**  
 34           **in subsection (b), property tax proceeds allocated under this**  
 35           **chapter that are otherwise authorized under this chapter to be**  
 36           **expended for purposes related to a redevelopment project that is**  
 37           **located outside the boundaries of the allocation area may be**  
 38           **expended for those purposes only if the redevelopment commission**  
 39           **immediately at the conclusion of the public hearing required under**  
 40           **section 17 of this chapter adopts a declaratory resolution that finds**  
 41           **that it has been clearly demonstrated that the expenditure:**

42           **(1) will directly benefit the allocation area; or**



- 1           **(2) will result in the creation or retention of jobs in the private**  
 2           **sector.**
- 3           **(b) This section does not apply to any transfer of property tax**  
 4           **proceeds to a school corporation, an accredited or nonaccredited**  
 5           **public or nonpublic school, or a charter school, including a transfer**  
 6           **of property tax proceeds for a program under IC 36-7-25-7.**
- 7           SECTION 4. IC 36-7-14-39, AS AMENDED BY P.L.156-2020,  
 8           SECTION 139, IS AMENDED TO READ AS FOLLOWS  
 9           [EFFECTIVE APRIL 1, 2021]: Sec. 39. (a) ~~As used in~~ **The following**  
 10          **definitions apply throughout** this section:
- 11          **(1) "Allocation area"** means that part of a redevelopment project  
 12          area to which an allocation provision of a declaratory resolution  
 13          adopted under section 15 of this chapter refers for purposes of  
 14          distribution and allocation of property taxes.
- 15          **(2) "Base assessed value"** means, subject to subsection (j), the  
 16          following:
- 17          ~~(1)~~ **(A)** If an allocation provision is adopted after June 30,  
 18          1995, in a declaratory resolution or an amendment to a  
 19          declaratory resolution establishing an economic development  
 20          area:
- 21               ~~(A)~~ **(i)** the net assessed value of all the property as finally  
 22               determined for the assessment date immediately preceding  
 23               the effective date of the allocation provision of the  
 24               declaratory resolution, as adjusted under subsection (h); plus  
 25               ~~(B)~~ **(ii)** to the extent that it is not included in ~~clause (A);~~  
 26               **item (i)**, the net assessed value of property that is assessed  
 27               as residential property under the rules of the department of  
 28               local government finance, within the allocation area, as  
 29               finally determined for the current assessment date.
- 30          ~~(2)~~ **(B)** If an allocation provision is adopted after June 30,  
 31          1997, in a declaratory resolution or an amendment to a  
 32          declaratory resolution establishing a redevelopment project  
 33          area:
- 34               ~~(A)~~ **(i)** the net assessed value of all the property as finally  
 35               determined for the assessment date immediately preceding  
 36               the effective date of the allocation provision of the  
 37               declaratory resolution, as adjusted under subsection (h); plus  
 38               ~~(B)~~ **(ii)** to the extent that it is not included in ~~clause (A);~~  
 39               **item (i)**, the net assessed value of property that is assessed  
 40               as residential property under the rules of the department of  
 41               local government finance, as finally determined for the  
 42               current assessment date.



- 1                   ~~(3)~~ (C) If:
- 2                   ~~(A)~~ (i) an allocation provision adopted before June 30, 1995,
- 3                   in a declaratory resolution or an amendment to a declaratory
- 4                   resolution establishing a redevelopment project area expires
- 5                   after June 30, 1997; and
- 6                   ~~(B)~~ (ii) after June 30, 1997, a new allocation provision is
- 7                   included in an amendment to the declaratory resolution;
- 8                   the net assessed value of all the property as finally determined
- 9                   for the assessment date immediately preceding the effective
- 10                  date of the allocation provision adopted after June 30, 1997, as
- 11                  adjusted under subsection (h).
- 12                  ~~(4)~~ (D) Except as provided in ~~subdivision (5)~~, **clause (E)**, for
- 13                  all other allocation areas, the net assessed value of all the
- 14                  property as finally determined for the assessment date
- 15                  immediately preceding the effective date of the allocation
- 16                  provision of the declaratory resolution, as adjusted under
- 17                  subsection (h).
- 18                  ~~(5)~~ (E) If an allocation area established in an economic
- 19                  development area before July 1, 1995, is expanded after June
- 20                  30, 1995, the definition in ~~subdivision (1)~~ **clause (A)** applies
- 21                  to the expanded part of the area added after June 30, 1995.
- 22                  ~~(6)~~ (F) If an allocation area established in a redevelopment
- 23                  project area before July 1, 1997, is expanded after June 30,
- 24                  1997, the definition in ~~subdivision (2)~~ **clause (B)** applies to the
- 25                  expanded part of the area added after June 30, 1997.
- 26                  **(3) "Participating taxing unit" means the following:**
- 27                  **(A) For an allocation area initially established before July**
- 28                  **1, 2021, a taxing unit that is located wholly or partly within**
- 29                  **the allocation area.**
- 30                  **(B) For an allocation area initially established after June**
- 31                  **30, 2021, the following that are located wholly or partly**
- 32                  **within the allocation area:**
- 33                        **(i) A taxing unit other than a school corporation.**
- 34                        **(ii) A school corporation that elects to be subject to an**
- 35                        **allocation provision for the allocation area under section**
- 36                        **17(d) of this chapter.**
- 37                  (4) Except as provided in section 39.3 of this chapter, "property
- 38                  taxes" means taxes imposed under IC 6-1.1 on real property.
- 39                  However, upon approval by a resolution of the redevelopment
- 40                  commission adopted before June 1, 1987, "property taxes" also
- 41                  includes taxes imposed under IC 6-1.1 on depreciable personal
- 42                  property. If a redevelopment commission adopted before June 1,





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

10 (b) A declaratory resolution adopted under section 15 of this chapter  
11 on or before the allocation deadline determined under subsection (i)  
12 may include a provision with respect to the allocation and distribution  
13 of property taxes for the purposes and in the manner provided in this  
14 section. A declaratory resolution previously adopted may include an  
15 allocation provision by the amendment of that declaratory resolution on  
16 or before the allocation deadline determined under subsection (i) in  
17 accordance with the procedures required for its original adoption. A  
18 declaratory resolution or amendment that establishes an allocation  
19 provision must include a specific finding of fact, supported by  
20 evidence, that the adoption of the allocation provision will result in  
21 new property taxes in the area that would not have been generated but  
22 for the adoption of the allocation provision. For an allocation area  
23 established before July 1, 1995, the expiration date of any allocation  
24 provisions for the allocation area is June 30, 2025, or the last date of  
25 any obligations that are outstanding on July 1, 2015, whichever is later.  
26 A declaratory resolution or an amendment that establishes an allocation  
27 provision after June 30, 1995, must specify an expiration date for the  
28 allocation provision. For an allocation area established before July 1,  
29 2008, the expiration date may not be more than thirty (30) years after  
30 the date on which the allocation provision is established. For an  
31 allocation area established after June 30, 2008, the expiration date may  
32 not be more than twenty-five (25) years after the date on which the first  
33 obligation was incurred to pay principal and interest on bonds or lease  
34 rentals on leases payable from tax increment revenues. However, with  
35 respect to bonds or other obligations that were issued before July 1,  
36 2008, if any of the bonds or other obligations that were scheduled when  
37 issued to mature before the specified expiration date and that are  
38 payable only from allocated tax proceeds with respect to the allocation  
39 area remain outstanding as of the expiration date, the allocation  
40 provision does not expire until all of the bonds or other obligations are  
41 no longer outstanding. Notwithstanding any other law, in the case of an  
42 allocation area that is established after June 30, 2019, and that is



1 located in a redevelopment project area described in section  
 2 25.1(c)(3)(C) of this chapter, an economic development area described  
 3 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 4 area described in section 25.1(c)(3)(C) of this chapter, the expiration  
 5 date of the allocation provision may not be more than thirty-five (35)  
 6 years after the date on which the allocation provision is established.  
 7 The allocation provision may apply to all or part of the redevelopment  
 8 project area. The allocation provision must require that any property  
 9 taxes subsequently levied by **or a participating taxing unit** for the  
 10 benefit of **any the participating taxing unit or another** public body  
 11 entitled to a distribution of property taxes on taxable property in the  
 12 allocation area be allocated and distributed as follows:

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

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

17 or

18 (B) the base assessed value;

19 shall be allocated to and, when collected, paid into the funds of  
 20 the respective **participating** taxing units.

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

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

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

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

42 (C) Pay the principal of and interest on bonds payable from



- 1 allocated tax proceeds in that allocation area and from the
- 2 special tax levied under section 27 of this chapter.
- 3 (D) Pay the principal of and interest on bonds issued by the
- 4 unit to pay for local public improvements that are physically
- 5 located in or physically connected to that allocation 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 25.2 of this
- 11 chapter.
- 12 (G) Reimburse the unit for expenditures made by it for local
- 13 public improvements (which include buildings, parking
- 14 facilities, and other items described in section 25.1(a) of this
- 15 chapter) that are physically located in or physically connected
- 16 to that allocation 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) For property taxes first due and payable before January 1,
- 22 2009, pay all or a part of a property tax replacement credit to
- 23 taxpayers in an allocation area as determined by the
- 24 redevelopment commission. This credit equals the amount
- 25 determined under the following STEPS for each taxpayer in a
- 26 taxing district (as defined in IC 6-1.1-1-20) that contains all or
- 27 part of the allocation area:
- 28 STEP ONE: Determine that part of the sum of the amounts
- 29 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),
- 30 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and
- 31 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to
- 32 the taxing district.
- 33 STEP TWO: Divide:
- 34 (i) that part of each county's eligible property tax
- 35 replacement amount (as defined in IC 6-1.1-21-2 (before its
- 36 repeal)) for that year as determined under IC 6-1.1-21-4
- 37 (before its repeal) that is attributable to the taxing district;
- 38 by
- 39 (ii) the STEP ONE sum.
- 40 STEP THREE: Multiply:
- 41 (i) the STEP TWO quotient; times
- 42 (ii) the total amount of the taxpayer's taxes (as defined in



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IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

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

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

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

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

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

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

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this 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 (M) Expend money and provide financial assistance as
- 5 authorized in section 12.2(a)(27) of this chapter.
- 6 The allocation fund may not be used for operating expenses of the
- 7 commission.
- 8 (4) Except as provided in subsection (g), before June 15 of each
- 9 year, the commission shall do the following:
- 10 (A) Determine the amount, if any, by which the assessed value
- 11 of the taxable property in the allocation area for the most
- 12 recent assessment date minus the base assessed value, when
- 13 multiplied by the estimated tax rate of the allocation area, will
- 14 exceed the amount of assessed value needed to produce the
- 15 property taxes necessary to make, when due, principal and
- 16 interest payments on bonds described in subdivision (3), plus
- 17 the amount necessary for other purposes described in
- 18 subdivision (3).
- 19 (B) Provide a written notice to the county auditor, the fiscal
- 20 body of the county or municipality that established the
- 21 department of redevelopment, the officers who are authorized
- 22 to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for
- 23 each of the other **participating** taxing units that is wholly or
- 24 partly located within the allocation area, and (in an electronic
- 25 format) the department of local government finance. The
- 26 notice must:
- 27 (i) state the amount, if any, of excess assessed value that the
- 28 commission has determined may be allocated to the
- 29 respective **participating** taxing units in the manner
- 30 prescribed in subdivision (1); or
- 31 (ii) state that the commission has determined that there is no
- 32 excess assessed value that may be allocated to the respective
- 33 **participating** taxing units in the manner prescribed in
- 34 subdivision (1).
- 35 The county auditor shall allocate to the respective
- 36 **participating** taxing units the amount, if any, of excess
- 37 assessed value determined by the commission. The
- 38 commission may not authorize an allocation of assessed value
- 39 to the respective **participating** taxing units under this
- 40 subdivision if to do so would endanger the interests of the
- 41 holders of bonds described in subdivision (3) or lessors under
- 42 section 25.3 of this chapter.



1 (C) If:

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

7 (ii) the amount necessary for other purposes described in  
8 subdivision (3);

9 the commission shall submit to the legislative body of the unit  
10 its determination of the excess assessed value that the  
11 commission proposes to allocate to the respective  
12 **participating** taxing units in the manner prescribed in  
13 subdivision (1). The legislative body of the unit may approve  
14 the commission's determination or modify the amount of the  
15 excess assessed value that will be allocated to the respective  
16 **participating** taxing units in the manner prescribed in  
17 subdivision (1).

18 (5) Notwithstanding subdivision (4), in the case of an allocation  
19 area that is established after June 30, 2019, and that is located in  
20 a redevelopment project area described in section 25.1(c)(3)(C)  
21 of this chapter, an economic development area described in  
22 section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
23 area described in section 25.1(c)(3)(C) of this chapter, for each  
24 year the allocation provision is in effect, if the amount of excess  
25 assessed value determined by the commission under subdivision  
26 (4)(A) is expected to generate more than two hundred percent  
27 (200%) of:

28 (A) the amount of allocated tax proceeds necessary to make,  
29 when due, principal and interest payments on bonds described  
30 in subdivision (3) for the project; plus

31 (B) the amount necessary for other purposes described in  
32 subdivision (3) for the project;

33 the amount of the excess assessed value that generates more than  
34 two hundred percent (200%) of the amounts described in clauses  
35 (A) and (B) shall be allocated to the respective **participating**  
36 taxing units in the manner prescribed by subdivision (1).

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

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



1           respect to which the allocation and distribution is made; or

2           (2) the base assessed value.

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

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

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

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

18           (2) the base assessed value.

19           (g) If any part of the allocation area is located in an enterprise zone  
20 created under IC 5-28-15, the unit that designated the allocation area  
21 shall create funds as specified in this subsection. A unit that has  
22 obligations, bonds, or leases payable from allocated tax proceeds under  
23 subsection (b)(3) shall establish an allocation fund for the purposes  
24 specified in subsection (b)(3) and a special zone fund. Such a unit  
25 shall, until the end of the enterprise zone phase out period, deposit each  
26 year in the special zone fund any amount in the allocation fund derived  
27 from property tax proceeds in excess of those described in subsection  
28 (b)(1) and (b)(2) from property located in the enterprise zone that  
29 exceeds the amount sufficient for the purposes specified in subsection  
30 (b)(3) for the year. The amount sufficient for purposes specified in  
31 subsection (b)(3) for the year shall be determined based on the pro rata  
32 portion of such current property tax proceeds from the part of the  
33 enterprise zone that is within the allocation area as compared to all  
34 such current property tax proceeds derived from the allocation area. A  
35 unit that has no obligations, bonds, or leases payable from allocated tax  
36 proceeds under subsection (b)(3) shall establish a special zone fund  
37 and deposit all the property tax proceeds in excess of those described  
38 in subsection (b)(1) and (b)(2) in the fund derived from property tax  
39 proceeds in excess of those described in subsection (b)(1) and (b)(2)  
40 from property located in the enterprise zone. The unit that creates the  
41 special zone fund shall use the fund (based on the recommendations of  
42 the urban enterprise association) for programs in job training, job



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

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

21 However, the adjustments under this subsection:

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

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

28 (3) may decrease base assessed value only to the extent that  
 29 assessed values in the allocation area have been decreased due to  
 30 annual adjustments or the reassessment under the reassessment  
 31 plan.

32 Assessed value increases attributable to the application of an abatement  
 33 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 34 value of an allocation area. 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 (i) The allocation deadline referred to in subsection (b) is  
 38 determined in the following manner:

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

40 (2) Subject to subdivision (3), the initial allocation deadline and  
 41 subsequent allocation deadlines are automatically extended in  
 42 increments of five (5) years, so that allocation deadlines





1 subsequent to the initial allocation deadline fall on December 31,  
 2 2016, and December 31 of each fifth year thereafter.  
 3 (3) At least one (1) year before the date of an allocation deadline  
 4 determined under subdivision (2), the general assembly may enact  
 5 a law that:  
 6 (A) terminates the automatic extension of allocation deadlines  
 7 under subdivision (2); and  
 8 (B) specifically designates a particular date as the final  
 9 allocation deadline.  
 10 (j) If a redevelopment commission adopts a declaratory resolution  
 11 or an amendment to a declaratory resolution that contains an allocation  
 12 provision and the redevelopment commission makes either of the  
 13 filings required under section ~~17(e)~~ **17(f)** of this chapter after the first  
 14 anniversary of the effective date of the allocation provision, the auditor  
 15 of the county in which the unit is located shall compute the base  
 16 assessed value for the allocation area using the assessment date  
 17 immediately preceding the later of:  
 18 (1) the date on which the documents are filed with the county  
 19 auditor; or  
 20 (2) the date on which the documents are filed with the department  
 21 of local government finance.  
 22 SECTION 5. IC 36-7-25-7, AS ADDED BY P.L.182-2009(ss),  
 23 SECTION 513, IS AMENDED TO READ AS FOLLOWS  
 24 [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section,  
 25 "eligible entity" means a person whose principal functions include the  
 26 provision of:  
 27 (1) educational programs;  
 28 (2) work training programs;  
 29 (3) worker retraining programs; or  
 30 (4) any other programs;  
 31 designed to prepare individuals to participate in the competitive and  
 32 global economy.  
 33 (b) After making the findings set forth in subsection (c), a  
 34 commission, or two (2) or more commissions acting jointly, may  
 35 contract with an eligible entity to provide:  
 36 (1) educational programs;  
 37 (2) work training programs;  
 38 (3) worker retraining programs; or  
 39 (4) any other programs;  
 40 designed to prepare individuals to participate in the competitive and  
 41 global economy.  
 42 (c) Before a commission may contract for **or renew a contract for**



1 a program described in subsection (b); **under this section**, the  
 2 commission must find that the program:

- 3 (1) will promote the redevelopment and economic development  
 4 of the unit;  
 5 (2) is of utility and benefit; and  
 6 (3) is in the best interests of the unit's residents.

7 **(d) This subsection applies to a program that is established**  
 8 **under this section by contract effective after June 30, 2021. The**  
 9 **following apply to a program under this subsection:**

10 (1) **The program must provide that it is open to all individuals**  
 11 **who:**

12 (A) **reside; or**

13 (B) **attend any public or private, accredited or**  
 14 **nonaccredited secondary or postsecondary school;**

15 **in the unit in which the commission is located.**

16 (2) **The program must be designed to fulfill the workforce**  
 17 **needs of employers or prospective employers whose wages for**  
 18 **jobs included in the program equal or exceed the county**  
 19 **average wage.**

20 (3) **The program must require participants to maintain**  
 21 **satisfactory progress toward obtaining a degree or certificate.**

22 (4) **A participant in a program may be required by the**  
 23 **commission to:**

24 (A) **reside within the unit;**

25 (B) **work for employers located in the unit; or**

26 (C) **satisfy both clauses (A) and (B);**

27 **for a specified period of time.**

28 **(e) A program under this section may be implemented pursuant**  
 29 **to a contract that is entered into by the eligible entity and the**  
 30 **person implementing the program. If an eligible entity enters into**  
 31 **a contract effective after June 30, 2021, with a person to implement**  
 32 **a program, the contract must meet all of the same requirements of**  
 33 **subsection (d) that apply to the contract between the commission**  
 34 **and the eligible entity.**

35 ~~(d)~~ **(f) Except as provided in subsection (e); (g), a commission may**  
 36 **use any revenues legally available to the commission to fund a program**  
 37 **described in subsection (b) this section.**

38 ~~(e)~~ **(g) A commission may not: spend:**

39 (1) **spend bond proceeds; or**

40 (2) **spend more than fifteen percent (15%) of the allocated tax**  
 41 **proceeds it receives on an annual basis; or**

42 (3) **deposit revenues in an endowment fund;**



1 to fund a program described in ~~subsection (b)~~ **this section.**  
2 **SECTION 6. An emergency is declared for this act.**

