

HOUSE BILL No. 1284

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-33.5-7.5; IC 36-7-14.

Synopsis: Tax increment financing issues. Requires the department of local government finance (DLGF) to annually prepare a report for each taxing unit that includes a calculation of the following: (1) The total property tax levy from the assessed value in the taxing unit and the amount of loss due to the circuit breaker credits. (2) The total property tax proceeds from the assessed value that exceeds the base assessed value in all allocation areas established within the taxing unit. (3) The effect, if any, on the amount of the tax levy or proceeds and the credit for excessive property taxes under IC 6-1.1-20.6 for the taxing unit and for the allocation areas if the allocation and distribution of tax proceeds in the allocation areas were: (A) eliminated; (B) reduced by 10%; (C) reduced by 20%; or (D) reduced by 30%. Requires the DLGF to: (1) post the report on the DLGF web site; and (2) file the report with the governor and the general assembly. Provides that the county council of a county in which a redevelopment authority is located may require redistribution to taxing units of up to 20% of the assessed value that is allocated to allocation areas if, when considering a reduction in the allocation in allocation areas from 10% to 20%, the amount of the reduction in losses due to the circuit breaker credits is exceeded by more than 50%. Provides, however, that the county council may not make a redistribution to taxing units if: (1) the redistribution would affect debt service; or (2) there is no loss that meets the criteria for a distribution that is to a unit other than the municipality in which the allocation area is located, or a special service district that is wholly located within the boundaries of the municipality that established the allocation area. Provides that allocated property tax proceeds may be
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Effective: Upon passage; July 1, 2018.

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January 11, 2018, read first time and referred to Committee on Ways and Means.



Digest Continued

expended for projects located outside a redevelopment district only if the commission adopts a declaratory resolution that finds that the expenditures: (1) will directly benefit the redevelopment district; and (2) will result in the creation of jobs in the private sector. Requires the legislative body of a unit and the redevelopment commission established by the unit to hold a joint public hearing before December 1 of each year for the purpose of reviewing the commission's proposed expenditures in the upcoming calendar year.



Introduced

Second Regular Session of the 120th General Assembly (2018)

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 2017 Regular Session of the General Assembly.

HOUSE BILL No. 1284

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 6-1.1-33.5-7.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2018]: **Sec. 7.5. Not later than May 1 of each**
4 **calendar year, the department shall do the following:**
5 **(1) Prepare a report for the previous calendar year that**
6 **includes for each taxing unit a calculation of:**
7 **(A) the total property tax levy from the assessed value in**
8 **the taxing unit and the amount of loss due to the credit for**
9 **excessive property taxes under IC 6-1.1-20.6;**
10 **(B) the total property tax proceeds from the assessed value**
11 **that exceeds the base assessed value in all allocation areas**
12 **established within the taxing unit for the purpose of the**
13 **allocation and distribution of property taxes;**
14 **(C) the effect, if any, on the amount of the tax levy or**
15 **proceeds and the credit for excessive property taxes under**



1 **IC 6-1.1-20.6 for the taxing unit and for the allocation**
 2 **areas if the allocation and distribution of tax proceeds in**
 3 **the allocation areas described in clause (B) were:**

- 4 **(i) eliminated;**
 5 **(ii) reduced by ten percent (10%);**
 6 **(iii) reduced by twenty percent (20%); or**
 7 **(iv) reduced by thirty percent (30%).**

8 **(2) Post the report on the Internet web site maintained by the**
 9 **department.**

10 **(3) Submit a copy of the report to:**

11 **(A) the governor; and**

12 **(B) the general assembly, in an electronic format under**
 13 **IC 5-14-6.**

14 SECTION 2. IC 36-7-14-3, AS AMENDED BY P.L.149-2014,
 15 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2018]: Sec. 3. (a) A unit may establish a department of
 17 redevelopment controlled by a board of five (5) members to be known
 18 as "_____ Redevelopment Commission", designating the name
 19 of the municipality or county. However, in the case of a county, the
 20 county executive may adopt an ordinance providing that the county
 21 redevelopment commission consists of seven (7) members.

22 (b) A redevelopment commission and a department of
 23 redevelopment are subject to oversight by the legislative body of the
 24 unit, including a review by the legislative body of the commission's and
 25 department's annual budget. A redevelopment commission and a
 26 department of redevelopment are:

- 27 (1) subject to audit by the state board of accounts under IC 5-11;
 28 (2) covered by IC 5-14-1.5 (the public meetings law); and
 29 (3) covered by IC 5-14-3 (the public records law).

30 (c) **After October 31, and before December 1 of each year, the**
 31 **legislative body of a unit and the redevelopment commission**
 32 **established by the unit shall hold a joint public hearing for the**
 33 **purpose of reviewing the commission's proposed expenditures in**
 34 **the upcoming calendar year. The proper officers of the unit and the**
 35 **redevelopment commission must jointly publish a single notice of**
 36 **the public hearing in accordance with IC 5-3-1. The executive of**
 37 **the legislative body of the unit shall preside over the hearing. The**
 38 **hearing shall be conducted in accordance with IC 5-14-1.5. At the**
 39 **hearing, the redevelopment commission shall present a detailed**
 40 **description of each of its budgeted expenditures. In addition, the**
 41 **executive of the legislative body of the unit shall hear all persons**
 42 **who appear at the hearing and request to be heard concerning any**



1 **issues being presented, discussed, or considered.**

2 ~~(c)~~ **(d)** Subject to section 3.5 of this chapter, all of the territory
3 within the corporate boundaries of a municipality constitutes a taxing
4 district for the purpose of levying and collecting special benefit taxes
5 for redevelopment purposes as provided in this chapter. Subject to
6 section 3.5 of this chapter, all of the territory in a county, except that
7 within a municipality that has a redevelopment commission, constitutes
8 a taxing district for a county.

9 ~~(d)~~ **(e)** All of the taxable property within a taxing district is
10 considered to be benefited by redevelopment projects carried out under
11 this chapter to the extent of the special taxes levied under this chapter.

12 SECTION 3. IC 36-7-14-29.5 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE UPON PASSAGE]: **Sec. 29.5. (a) The county council**
15 **for the county in which the territory of the redevelopment**
16 **commission is located may require redistribution to taxing units of**
17 **up to twenty percent (20%) of the assessed value that is allocated**
18 **to allocation areas if the amount of the reduction in losses due to**
19 **the credit of excessive property taxes as calculated under**
20 **IC 6-1.1-33.5-7.5(1)(C)(iii) exceeds by more than fifty percent**
21 **(50%) the amount of the reduction in losses due to the credit of**
22 **excessive property taxes as calculated under**
23 **IC 6-1.1-33.5-7.5(1)(C)(ii). The county council may not require a**
24 **redistribution under this subsection that would affect debt service.**

25 **(b) However, subsection (a) does not apply if there is no loss**
26 **meeting the criteria described in subsection (a) to a unit other than**
27 **the municipality in which the allocation area is located or a special**
28 **service district that is wholly located within the boundaries of the**
29 **municipality that established the allocation area.**

30 SECTION 4. IC 36-7-14-29.6 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE UPON PASSAGE]: **Sec. 29.6. Property tax proceeds**
33 **allocated under this chapter that are otherwise authorized under**
34 **this chapter to be expended for purposes related to a**
35 **redevelopment project that is located outside the boundaries of the**
36 **redevelopment district may be expended for those purposes only if**
37 **the redevelopment commission adopts a declaratory resolution that**
38 **finds that it has been clearly demonstrated that the expenditure:**

- 39 **(1) will directly benefit the redevelopment district; and**
40 **(2) will result in the creation or retention of jobs in the private**
41 **sector.**

42 SECTION 5. **An emergency is declared for this act.**

