

# HOUSE BILL No. 1415

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7.

**Synopsis:** Use of revenue by redevelopment commissions. Allows revenue received by a redevelopment commission from a tax increment financing allocation area to be used to improve, repair, and maintain publicly owned buildings, structures, and improvements as necessary to carry out the commission's redevelopment plan.

**Effective:** July 1, 2018.

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January 16, 2018, read first time and referred to Committee on Government and Regulatory Reform.

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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. 1415

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 36-7-1-18, AS AMENDED BY P.L.221-2007,  
2 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2018]: Sec. 18. "Redevelopment" includes the following  
4 activities:

- 5 (1) Acquiring real property in areas needing redevelopment.
- 6 (2) Replatting and determining the proper use of real property  
7 acquired.
- 8 (3) Opening, closing, relocating, widening, and improving public  
9 ways.
- 10 (4) Relocating, constructing, and improving sewers, utility  
11 services, offstreet parking facilities, and levees.
- 12 (5) Laying out and constructing necessary public improvements,  
13 including parks, playgrounds, and other recreational facilities.
- 14 (6) Restricting the use of real property acquired according to law.
- 15 (7) **Improving**, repairing, and maintaining **land**, buildings,  
16 **structures, and improvements as necessary to carry out the**  
17 **redevelopment plan, ~~acquired~~**, if demolition of those buildings,



- 1           **structures, or improvements** is not considered necessary to  
 2 carry out the redevelopment plan.
- 3           (8) Rehabilitating real or personal property to carry out the  
 4 redevelopment or urban renewal plan, regardless of whether the  
 5 real or personal property is acquired by the unit.
- 6           (9) Investigating and remediating environmental contamination  
 7 on real property to carry out the redevelopment or urban renewal  
 8 plan, regardless of whether the real property is acquired by the  
 9 unit.
- 10          (10) Disposing of property acquired on the terms and conditions  
 11 and for the uses and purposes that best serve the interests of the  
 12 units served by the redevelopment commission.
- 13          (11) Making payments required or authorized by IC 8-23-17.
- 14          (12) Performing all acts incident to the statutory powers and  
 15 duties of a redevelopment commission.
- 16          SECTION 2. IC 36-7-14-12.2, AS AMENDED BY P.L.95-2014,  
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18 JULY 1, 2018]: Sec. 12.2. (a) The redevelopment commission may do  
 19 the following:
- 20           (1) Acquire by purchase, exchange, gift, grant, condemnation, or  
 21 lease, or any combination of methods, any personal property or  
 22 interest in real property needed for the redevelopment of areas  
 23 needing redevelopment that are located within the corporate  
 24 boundaries of the unit.
- 25           (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
 26 other instrument), exchange, lease, rent, or otherwise dispose of  
 27 property acquired for use in the redevelopment of areas needing  
 28 redevelopment on the terms and conditions that the commission  
 29 considers best for the unit and its inhabitants.
- 30           (3) Sell, lease, or grant interests in all or part of the real property  
 31 acquired for redevelopment purposes to any other department of  
 32 the unit or to any other governmental agency for public ways,  
 33 levees, sewerage, parks, playgrounds, schools, and other public  
 34 purposes on any terms that may be agreed on.
- 35           (4) Clear real property acquired for redevelopment purposes.
- 36           (5) Enter on or into, inspect, investigate, and assess real property  
 37 and structures acquired or to be acquired for redevelopment  
 38 purposes to determine the existence, source, nature, and extent of  
 39 any environmental contamination, including the following:
- 40           (A) Hazardous substances.
- 41           (B) Petroleum.
- 42           (C) Other pollutants.



- 1 (6) Remediate environmental contamination, including the  
 2 following, found on any real property or structures acquired for  
 3 redevelopment purposes:  
 4 (A) Hazardous substances.  
 5 (B) Petroleum.  
 6 (C) Other pollutants.
- 7 (7) **Improve**, repair, and maintain **land, buildings**, structures,  
 8 **and improvements** acquired **or to be acquired** for  
 9 redevelopment purposes, **including improving, repairing, and**  
 10 **maintaining publicly owned buildings, structures, and**  
 11 **improvements as necessary to carry out the redevelopment**  
 12 **plan.**
- 13 (8) Remodel, rebuild, enlarge, or make major structural  
 14 improvements on structures acquired for redevelopment purposes.
- 15 (9) Survey or examine any land to determine whether it should be  
 16 included within an area needing redevelopment to be acquired for  
 17 redevelopment purposes and to determine the value of that land.
- 18 (10) Appear before any other department or agency of the unit, or  
 19 before any other governmental agency in respect to any matter  
 20 affecting:  
 21 (A) real property acquired or being acquired for  
 22 redevelopment purposes; or  
 23 (B) any area needing redevelopment within the jurisdiction of  
 24 the commissioners.
- 25 (11) Institute or defend in the name of the unit any civil action.
- 26 (12) Use any legal or equitable remedy that is necessary or  
 27 considered proper to protect and enforce the rights of and perform  
 28 the duties of the department of redevelopment.
- 29 (13) Appoint an executive director, appraisers, real estate experts,  
 30 engineers, architects, surveyors, and attorneys.
- 31 (14) Appoint clerks, guards, laborers, and other employees the  
 32 commission considers advisable, except that those appointments  
 33 must be made in accordance with the merit system of the unit if  
 34 such a system exists.
- 35 (15) Prescribe the duties and regulate the compensation of  
 36 employees of the department of redevelopment.
- 37 (16) Provide a pension and retirement system for employees of  
 38 the department of redevelopment by using the Indiana public  
 39 employees' retirement fund or a retirement plan approved by the  
 40 United States Department of Housing and Urban Development.
- 41 (17) Discharge and appoint successors to employees of the  
 42 department of redevelopment subject to subdivision (14).



- 1 (18) Rent offices for use of the department of redevelopment, or  
 2 accept the use of offices furnished by the unit.  
 3 (19) Equip the offices of the department of redevelopment with  
 4 the necessary furniture, furnishings, equipment, records, and  
 5 supplies.  
 6 (20) Expend, on behalf of the special taxing district, all or any  
 7 part of the money of the special taxing district.  
 8 (21) Contract for the construction of:  
 9 (A) local public improvements (as defined in IC 36-7-14.5-6)  
 10 or structures that are necessary for redevelopment of areas  
 11 needing redevelopment or economic development within the  
 12 corporate boundaries of the unit; or  
 13 (B) any structure that enhances development or economic  
 14 development.  
 15 (22) Contract for the construction, extension, or improvement of  
 16 pedestrian skyways.  
 17 (23) Accept loans, grants, and other forms of financial assistance  
 18 from the federal government, the state government, a municipal  
 19 corporation, a special taxing district, a foundation, or any other  
 20 source.  
 21 (24) Provide financial assistance (including grants and loans) to  
 22 enable individuals and families to purchase or lease residential  
 23 units in a multiple unit residential structure within the district.  
 24 However, financial assistance may be provided only to individuals  
 25 and families whose income is at or below the unit's median  
 26 income for individuals and families, respectively.  
 27 (25) Provide financial assistance (including grants and loans) to  
 28 neighborhood development corporations to permit them to:  
 29 (A) provide financial assistance for the purposes described in  
 30 subdivision (24); or  
 31 (B) construct, rehabilitate, or repair commercial property  
 32 within the district.  
 33 (26) Require as a condition of financial assistance to the owner of  
 34 a multiple unit residential structure that any of the units leased by  
 35 the owner must be leased:  
 36 (A) for a period to be determined by the commission, which  
 37 may not be less than five (5) years;  
 38 (B) to families whose income does not exceed eighty percent  
 39 (80%) of the unit's median income for families; and  
 40 (C) at an affordable rate.  
 41 (27) This subdivision does not apply to a redevelopment  
 42 commission in a county for which the total amount of net property



1 taxes allocated to all allocation areas or other tax increment  
 2 financing areas established by a redevelopment commission,  
 3 military base reuse authority, military base development authority,  
 4 or another similar entity in the county in the preceding calendar  
 5 year exceeded nineteen percent (19%) of the total net property  
 6 taxes billed in the county in the preceding calendar year. Subject  
 7 to prior approval by the fiscal body of the unit that established the  
 8 redevelopment commission, expend money and provide financial  
 9 assistance (including grants and loans):

10 (A) in direct support of:

- 11 (i) an active military base located within the unit; or  
 12 (ii) an entity located in the territory or facilities of a military  
 13 base or former military base within the unit that is scheduled  
 14 for closing or is completely or partially inactive or closed, or  
 15 an entity that is located in any territory or facilities of the  
 16 United States Department of Defense within the unit that are  
 17 scheduled for closing or are completely or partially inactive  
 18 or closed;

19 including direct support for the promotion of the active  
 20 military base or entity, the growth of the active military base  
 21 or entity, and activities at the active military base or entity; and  
 22 (B) in support of any other entity that provides services or  
 23 direct support to an active military base or entity described in  
 24 clause (A).

25 The fiscal body of the unit that established the redevelopment  
 26 commission must separately approve each grant, loan, or other  
 27 expenditure for financial assistance under this subdivision. The  
 28 terms of any loan that is made under this subdivision may be  
 29 changed only if the change is approved by the fiscal body of the  
 30 unit that established the redevelopment commission. As used in  
 31 this subdivision, "active military base" has the meaning set forth  
 32 in IC 36-1-4-20.

33 (b) Conditions imposed by the commission under subsection (a)(26)  
 34 remain in force throughout the period determined under subsection  
 35 (a)(26)(A), even if the owner sells, leases, or conveys the property. The  
 36 subsequent owner or lessee is bound by the conditions for the  
 37 remainder of the period.

38 (c) As used in this section, "pedestrian skyway" means a pedestrian  
 39 walkway within or outside of the public right-of-way and through and  
 40 above public or private property and buildings, including all structural  
 41 supports required to connect skyways to buildings or buildings under  
 42 construction. Pedestrian skyways constructed, extended, or improved



1 over or through public or private property constitute public property  
 2 and public improvements, constitute a public use and purpose, and do  
 3 not require vacation of any public way or other property.

4 (d) All powers that may be exercised under this chapter by the  
 5 redevelopment commission may also be exercised by the  
 6 redevelopment commission in carrying out its duties and purposes  
 7 under IC 36-7-14.5. However, if a power pertains to issuing bonds or  
 8 incurring an obligation, the exercise of the power must first be  
 9 specifically approved by the fiscal or legislative body of the unit,  
 10 whichever applies.

11 (e) A commission may not exercise the power of eminent domain.

12 SECTION 3. IC 36-7-14-39, AS AMENDED BY P.L.85-2017,  
 13 SECTION 122, IS AMENDED TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2018]: Sec. 39. (a) As used in this section:

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

19 "Base assessed value" means the following:

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

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

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

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

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

39 (B) to the extent that it is not included in clause (A), the net  
 40 assessed value of property that is assessed as residential  
 41 property under the rules of the department of local government  
 42 finance, as finally determined for any assessment date after the



- 1           effective date of the allocation provision.
- 2           (3) If:
- 3           (A) an allocation provision adopted before June 30, 1995, in
- 4           a declaratory resolution or an amendment to a declaratory
- 5           resolution establishing a redevelopment project area expires
- 6           after June 30, 1997; and
- 7           (B) after June 30, 1997, a new allocation provision is included
- 8           in an amendment to the declaratory resolution;
- 9           the net assessed value of all the property as finally determined for
- 10          the assessment date immediately preceding the effective date of
- 11          the allocation provision adopted after June 30, 1997, as adjusted
- 12          under subsection (h).
- 13          (4) Except as provided in subdivision (5), for all other allocation
- 14          areas, the net assessed value of all the property as finally
- 15          determined for the assessment date immediately preceding the
- 16          effective date of the allocation provision of the declaratory
- 17          resolution, as adjusted under subsection (h).
- 18          (5) If an allocation area established in an economic development
- 19          area before July 1, 1995, is expanded after June 30, 1995, the
- 20          definition in subdivision (1) applies to the expanded part of the
- 21          area added after June 30, 1995.
- 22          (6) If an allocation area established in a redevelopment project
- 23          area before July 1, 1997, is expanded after June 30, 1997, the
- 24          definition in subdivision (2) applies to the expanded part of the
- 25          area added after June 30, 1997.
- 26          Except as provided in section 39.3 of this chapter, "property taxes"
- 27          means taxes imposed under IC 6-1.1 on real property. However, upon
- 28          approval by a resolution of the redevelopment commission adopted
- 29          before June 1, 1987, "property taxes" also includes taxes imposed
- 30          under IC 6-1.1 on depreciable personal property. If a redevelopment
- 31          commission adopted before June 1, 1987, a resolution to include within
- 32          the definition of property taxes, taxes imposed under IC 6-1.1 on
- 33          depreciable personal property that has a useful life in excess of eight
- 34          (8) years, the commission may by resolution determine the percentage
- 35          of taxes imposed under IC 6-1.1 on all depreciable personal property
- 36          that will be included within the definition of property taxes. However,
- 37          the percentage included must not exceed twenty-five percent (25%) of
- 38          the taxes imposed under IC 6-1.1 on all depreciable personal property.
- 39          (b) A declaratory resolution adopted under section 15 of this chapter
- 40          on or before the allocation deadline determined under subsection (i)
- 41          may include a provision with respect to the allocation and distribution
- 42          of property taxes for the purposes and in the manner provided in this





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

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

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

38 (B) the base assessed value;

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

41 (2) The excess of the proceeds of the property taxes imposed for  
42 the assessment date with respect to which the allocation and



1 distribution is made that are attributable to taxes imposed after  
 2 being approved by the voters in a referendum or local public  
 3 question conducted after April 30, 2010, not otherwise included  
 4 in subdivision (1) shall be allocated to and, when collected, paid  
 5 into the funds of the taxing unit for which the referendum or local  
 6 public question was conducted.

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

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

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

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

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

26 (E) Pay premiums on the redemption before maturity of bonds  
 27 payable solely or in part from allocated tax proceeds in that  
 28 allocation area.

29 (F) Make payments on leases payable from allocated tax  
 30 proceeds in that allocation area under section 25.2 of this  
 31 chapter.

32 (G) Reimburse the unit for expenditures made by it for local  
 33 public improvements (which include buildings, parking  
 34 facilities, and other items described in section 25.1(a) of this  
 35 chapter) that are physically located in or physically connected  
 36 to that allocation area.

37 (H) Reimburse the unit for rentals paid by it for a building or  
 38 parking facility that is physically located in or physically  
 39 connected to that allocation area under any lease entered into  
 40 under IC 36-1-10.

41 (I) For property taxes first due and payable before January 1,  
 42 2009, pay all or a part of a property tax replacement credit to



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taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

- (i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by
- (ii) the STEP ONE sum.

STEP THREE: Multiply:

- (i) the STEP TWO quotient; times
- (ii) the total amount of the taxpayer's taxes (as defined in 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, **structures, improvements, and other items described in section 25.1(a) of this chapter that are necessary to carry out the redevelopment plan, regardless of whether the redevelopment commission is the owner of the public improvement.**

(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



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

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

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

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

- (A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).
- (B) Provide a written notice to the county auditor, the fiscal



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

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

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

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

21 (C) If:

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

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

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

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

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



1           respect to which the allocation and distribution is made; or  
2           (2) the base assessed value.

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

13 SECTION 4. IC 36-7-15.1-7, AS AMENDED BY P.L.95-2014,  
14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2018]: Sec. 7. (a) In carrying out its duties and purposes under  
16 this chapter, the commission may do the following:

17 (1) Acquire by purchase, exchange, gift, grant, lease, or  
18 condemnation, or any combination of methods, any real or  
19 personal property or interest in property needed for the  
20 redevelopment of areas needing redevelopment that are located  
21 within the redevelopment district.

22 (2) Hold, use, sell (by conveyance by deed, land sale contract, or  
23 other instrument), exchange, lease, rent, invest in, or otherwise  
24 dispose of, through any combination of methods, property  
25 acquired for use in the redevelopment of areas needing  
26 redevelopment on the terms and conditions that the commission  
27 considers best for the city and its inhabitants.

28 (3) Acquire from and sell, lease, or grant interests in all or part of  
29 the real property acquired for redevelopment purposes to any  
30 other department of the city, or to any other governmental agency,  
31 for public ways, levees, sewerage, parks, playgrounds, schools,  
32 and other public purposes, on any terms that may be agreed upon.

33 (4) Clear real property acquired for redevelopment purposes.

34 (5) Enter on or into, inspect, investigate, and assess real property  
35 and structures acquired or to be acquired for redevelopment  
36 purposes to determine the existence, source, nature, and extent of  
37 any environmental contamination, including the following:

38 (A) Hazardous substances.

39 (B) Petroleum.

40 (C) Other pollutants.

41 (6) Remediate environmental contamination, including the  
42 following, found on any real property or structures acquired for





- 1 redevelopment purposes:
- 2 (A) Hazardous substances.
- 3 (B) Petroleum.
- 4 (C) Other pollutants.
- 5 (7) **Improve, repair, and maintain land, buildings, structures,**
- 6 **and improvements** acquired or to be acquired for redevelopment
- 7 purposes, **including paying expenses incurred by the**
- 8 **redevelopment commission for local public improvements**
- 9 **that are in the allocation area or serving the allocation area as**
- 10 **necessary to carry out the redevelopment plan, regardless of**
- 11 **whether the redevelopment commission is the owner of the**
- 12 **public improvement. Public improvements include buildings,**
- 13 **parking facilities, structures, improvements, and other items**
- 14 **described in IC 36-7-14-25.1(a).**
- 15 (8) Enter upon, survey, or examine any land, to determine whether
- 16 it should be included within an area needing redevelopment to be
- 17 acquired for redevelopment purposes, and determine the value of
- 18 that land.
- 19 (9) Appear before any other department or agency of the city, or
- 20 before any other governmental agency in respect to any matter
- 21 affecting:
- 22 (A) real property acquired or being acquired for
- 23 redevelopment purposes; or
- 24 (B) any area needing redevelopment within the jurisdiction of
- 25 the commission.
- 26 (10) Subject to section 13 of this chapter, exercise the power of
- 27 eminent domain in the name of the city, within the redevelopment
- 28 district, in the manner prescribed by this chapter.
- 29 (11) Establish a uniform fee schedule whenever appropriate for
- 30 the performance of governmental assistance, or for providing
- 31 materials and supplies to private persons in project or program
- 32 related activities.
- 33 (12) Expend, on behalf of the redevelopment district, all or any
- 34 part of the money available for the purposes of this chapter.
- 35 (13) Contract for the construction, extension, or improvement of
- 36 pedestrian skyways.
- 37 (14) Accept loans, grants, and other forms of financial assistance
- 38 from the federal government, the state government, a municipal
- 39 corporation, a special taxing district, a foundation, or any other
- 40 source.
- 41 (15) Provide financial assistance (including grants and loans) to
- 42 enable individuals and families to purchase or lease residential



- 1 units in a multiple unit residential structure within the district.  
 2 However, financial assistance may be provided only to those  
 3 individuals and families whose income is at or below the county's  
 4 median income for individuals and families, respectively.  
 5 (16) Provide financial assistance (including grants and loans) to  
 6 neighborhood development corporations to permit them to:  
 7 (A) provide financial assistance for the purposes described in  
 8 subdivision (15); or  
 9 (B) construct, rehabilitate, or repair commercial property  
 10 within the district.  
 11 (17) Require as a condition of financial assistance to the owner of  
 12 a multiple unit residential structure that any of the units leased by  
 13 the owner must be leased:  
 14 (A) for a period to be determined by the commission, which  
 15 may not be less than five (5) years;  
 16 (B) to families whose income does not exceed eighty percent  
 17 (80%) of the county's median income for families; and  
 18 (C) at an affordable rate.  
 19 Conditions imposed by the commission under this subdivision  
 20 remain in force throughout the period determined under clause  
 21 (A), even if the owner sells, leases, or conveys the property. The  
 22 subsequent owner or lessee is bound by the conditions for the  
 23 remainder of the period.  
 24 (18) Provide programs in job training, job enrichment, and basic  
 25 skill development for residents of an enterprise zone.  
 26 (19) Provide loans and grants for the purpose of stimulating  
 27 business activity in an enterprise zone or providing employment  
 28 for residents of an enterprise zone.  
 29 (20) Contract for the construction, extension, or improvement of:  
 30 (A) public ways, sidewalks, sewers, waterlines, parking  
 31 facilities, park or recreational areas, or other local public  
 32 improvements (as defined in IC 36-7-15.3-6) or structures that  
 33 are necessary for redevelopment of areas needing  
 34 redevelopment or economic development within the  
 35 redevelopment district; or  
 36 (B) any structure that enhances development or economic  
 37 development.  
 38 (21) This subdivision does not apply to a redevelopment  
 39 commission in a county for which the total amount of net property  
 40 taxes allocated to all allocation areas or other tax increment  
 41 financing areas established by a redevelopment commission,  
 42 military base reuse authority, military base development authority,



1 or another similar entity in the county in the preceding calendar  
 2 year exceeded nineteen percent (19%) of the total net property  
 3 taxes billed in the county in the preceding calendar year. Subject  
 4 to prior approval by the fiscal body of the unit that established the  
 5 redevelopment commission, expend money and provide financial  
 6 assistance (including grants and loans):

7 (A) in direct support of:

- 8 (i) an active military base located within the unit; or  
 9 (ii) an entity located in the territory or facilities of a military  
 10 base or former military base within the unit that is scheduled  
 11 for closing or is completely or partially inactive or closed, or  
 12 an entity that is located in any territory or facilities of the  
 13 United States Department of Defense within the unit that are  
 14 scheduled for closing or are completely or partially inactive  
 15 or closed;

16 including direct support for the promotion of the active  
 17 military base or entity, the growth of the active military base  
 18 or entity, and activities at the active military base or entity; and

19 (B) in support of any other entity that provides services or  
 20 direct support to an active military base or entity described in  
 21 clause (A).

22 The fiscal body of the unit that established the redevelopment  
 23 commission must separately approve each grant, loan, or other  
 24 expenditure for financial assistance under this subdivision. The  
 25 terms of any loan that is made under this subdivision may be  
 26 changed only if the change is approved by the fiscal body of the  
 27 unit that established the redevelopment commission. As used in  
 28 this subdivision, "active military base" has the meaning set forth  
 29 in IC 36-1-4-20.

30 (b) In addition to its powers under subsection (a), the commission  
 31 may plan and undertake, alone or in cooperation with other agencies,  
 32 projects for the redevelopment of, rehabilitating, preventing the spread  
 33 of, or eliminating slums or areas needing redevelopment, both  
 34 residential and nonresidential, which projects may include any of the  
 35 following:

- 36 (1) The repair or rehabilitation of buildings or other  
 37 improvements by the commission, owners, or tenants.  
 38 (2) The acquisition of real property.  
 39 (3) Either of the following with respect to environmental  
 40 contamination on real property:  
 41 (A) Investigation.  
 42 (B) Remediation.



- 1 (4) The demolition and removal of buildings or improvements on  
2 buildings acquired by the commission where necessary for any of  
3 the following:
- 4 (A) To eliminate unhealthful, unsanitary, or unsafe conditions.
  - 5 (B) To mitigate or eliminate environmental contamination.
  - 6 (C) To lessen density.
  - 7 (D) To reduce traffic hazards.
  - 8 (E) To eliminate obsolete or other uses detrimental to public  
9 welfare.
  - 10 (F) To otherwise remove or prevent the conditions described  
11 in IC 36-7-1-3.
  - 12 (G) To provide land for needed public facilities.
- 13 (5) The preparation of sites and the construction of improvements  
14 (such as public ways and utility connections) to facilitate the sale  
15 or lease of property.
- 16 (6) The construction of buildings or facilities for residential,  
17 commercial, industrial, public, or other uses.
- 18 (7) The disposition in accordance with this chapter, for uses in  
19 accordance with the plans for the projects, of any property  
20 acquired in connection with the projects.
- 21 (c) The commission may use its powers under this chapter relative  
22 to real property and interests in real property obtained by voluntary sale  
23 or transfer, even though the real property and interests in real property  
24 are not located in a redevelopment or urban renewal project area  
25 established by the adoption and confirmation of a resolution under  
26 sections 8(c), 9, 10, and 11 of this chapter. In acquiring real property  
27 and interests in real property outside of a redevelopment or urban  
28 renewal project area, the commission shall comply with section 12(b)  
29 through 12(e) of this chapter. The commission shall hold, develop, use,  
30 and dispose of this real property and interests in real property  
31 substantially in accordance with section 15 of this chapter.
- 32 (d) As used in this section, "pedestrian skyway" means a pedestrian  
33 walkway within or outside of the public right-of-way and through and  
34 above public or private property and buildings, including all structural  
35 supports required to connect skyways to buildings or buildings under  
36 construction. Pedestrian skyways constructed, extended, or improved  
37 over or through public or private property constitute public property  
38 and public improvements, constitute a public use and purpose, and do  
39 not require vacation of any public way or other property.
- 40 (e) All powers that may be exercised under this chapter by the  
41 commission may also be exercised by the commission in carrying out  
42 its duties and purposes under IC 36-7-15.3.

